

Cholson the Golfer
Trial for Assault
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Photographers with King
The Prince Edward, Duke of Kent, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Pop artist Ron Kumbira
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Star Michael Bohn
A judge dismissed assault charges against a golfer, 36, accused of striking a woman in a golf club. Robert Blank, 36, of North Hollywood, was charged with assault on a woman, 35, who was with him at the time. Blank was charged with assault on a woman, 35, who was with him at the time.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

London, Thursday, May 5, 1994

5000

No. 34,580

Concerned, Germans Join The Drive To Lift Dollar

Sudden Rise of Mark Is Regarded as Threat To Economic Recovery

By Brandon Mitchener

FRANKFURT — Worried that the Deutsche mark's recent appreciation could slow Germany's economic recovery, the Bundesbank supported the Federal Reserve and other central banks on Wednesday in concerted intervention to support the dollar.

The U.S. currency, which had fallen to around 1.6350 Deutsche marks after several days of weakness, jumped nearly 3 pfennig after the intervention, to 1.6626 marks, before slipping back in New York to 1.6545 DM.

The dollar closed in New York at 101.845 yen, up from 101 yen on Tuesday, which was just above the U.S. currency's postwar low of 100.35 yen.

Hans Tietmeyer, president of the German central bank, had told bankers in Bonn earlier that the mark's "excessive appreciation" against the dollar "wasn't in Germany's interest."

Another Bundesbank board member described the mark's rise as "threatening." The U.S. treasury secretary, Lloyd Bentsen, speaking in Washington, said the Clinton administration was also fed up with the dollar's weakness, which had persisted despite repeated warnings.

"This administration sees no advantage in an undervalued currency," Mr. Bentsen said. "The monetary authorities of the major countries are joining this morning in concerted intervention. These operations reflect our view that recent movements in exchange markets have gone beyond what is justified by economic fundamentals."

The action on the dollar's behalf Wednesday was begun by the Fed, which was then joined by the Bundesbank and other central banks, including the Bank of Japan, in what central bank sources described as the largest concerted intervention since the summer of 1992.

The intervention underlined worldwide anxiety about the dollar's recent sharp decline, which has been attributed largely to feverish dollar selling by U.S.-based investment funds.

For the Bundesbank, the mark's unexpected 3 percent rise over the last 10 days was too much of a good thing. "First in the stability of the D-mark on international financial markets has been steady, as we saw during the recent volatility in connection with a change of sentiment in the United States," Mr. Tietmeyer said in a speech.

"Today the D-mark is stronger rather than weaker," he added, "but an excessive appreciation is not in Germany's interest."

See DOLLAR, Page 10

A Brief Glitch, Then a 'True Beginning' for Peace



Yasser Arafat, PLO chairman, right, after he raised the issue of boundaries at the Cairo ceremony Wednesday. Conferring, from left, were Foreign Minister Shimon Peres of Israel, Foreign Minister Andrei V. Kozirev of Russia, Prime Minister Yitzhak Rabin of Israel, Foreign Minister Amr Moussa of Egypt, and President Hosni Mubarak of Egypt.

Arafat Raises Border Issue But Signs Pact With Israel

By Chris Hedges

CAIRO — Yasser Arafat, the Palestine Liberation Organization chairman, and Prime Minister Yitzhak Rabin of Israel signed a self-rule agreement Wednesday that ended 27 years of Israeli military occupation in Gaza and Jericho and turned authority over to the PLO.

The signing, after six months of negotiations that were undertaken in Washington in September, was greeted with applause by an audience that included President Hosni Mubarak of Egypt, Secretary of State Warren M. Christopher, Foreign Minister Andrei V. Kozirev of Russia and other dignitaries.

"Today we declare that the conflict is over," the Israeli foreign minister, Shimon Peres, told the gathering.

But the two sides must still resolve three outstanding issues, negotiators said, including the boundaries of Jericho in the West Bank, whether the Palestinians will place a guard on the bridge joining the West Bank and Jordan, and the manning of the Gaza border outpost connecting Gaza and Egypt.

There was a brief glitch in the ceremony when Mr. Mubarak, Mr. Christopher and other dignitaries began a heated discussion with Mr. Arafat on the stage, even as speeches were being delivered. The group had to retire to the wings to confer for five minutes before returning to conclude the signing.

Palestinian officials said Mr. Arafat wanted a written understanding from Mr. Rabin, with whom he met for six hours on Tuesday night and early Wednesday morning, that the boundaries in Gaza and Jericho were still under discussion.

Mr. Arafat signed the six maps in the 450-page document with this notation: Mr. Rabin, who agreed to the request, signed after calling an aide to read the notes Mr. Arafat had jotted in the margin in Arabic.

"Nowadays you can watch how birth is being given on television," Mr. Peres quipped.

Mr. Rabin also said that Mr. Arafat had asked for a three-week delay in carrying out the handover of authority because Palestinian officials were not prepared to assume power.

"We are interested in a relatively short implementation, but it became clear to me yesterday that the chairman of the PLO is asking for a few weeks, two or three, for the changeover," Mr. Rabin said following the ceremony. "We will apparently have to agree to this."

A Palestinian leader, Faisal Husseini, called the signing "the first stage for a Palestinian state."

"I would hope that it would be a bigger first step," he said, "but it is the beginning."

Israeli troops are scheduled to begin withdrawing from Gaza and Jericho within 24 hours. Most of the troops will be gone within 21 days. The first contingent of a 9,000-member Palestinian police force will arrive Thursday to take over security in the area. Israel is also committed to releasing hundreds of Palestinians held in Israeli prisons.

Mr. Arafat called the accord a "true beginning to complete the march of peace and guarantee the legitimate rights of the Palestinian people."

The agreement gives Palestinians control over their daily affairs. Israel will, however, retain responsibility for external security, control of the borders with Jordan and Egypt and foreign relations.

The accord calls for negotiations on a permanent settlement for the rest of the West Bank and Arab East Jerusalem. The Palestinians.

See ACCORD, Page 4

Gaza Family, Exhausted by War, Is Wary of Peace

By David Hoffman

Washington Post Service

JABALIYA, Gaza Strip — In the breezy, cinder-block room decorated with drawings his sons made in prison, Mohammed Msalam fingered the Palestinian flag as it gently fluttered in the window on Wednesday, but his spirits were subdued on the day the Gaza Strip was formally given up by Israel.

"This flag was forbidden for a long time," he said. "You can't find a Palestinian who dared

fly it. But I know a flag is not everything. We need more, much more."

His somber mood captured the low-key reaction in Gaza and the West Bank town of Jericho on Wednesday as Israel and the Palestine Liberation Organization signed the documents putting Palestinian self-rule into effect.

Instead of the exultations that greeted the peace accord last September, the Msalam family, exhausted by a conflict that has deeply touched two generations, found little to cheer.

In Gaza, a few cars and minibuses careened down the main streets with horns blaring, and shopkeepers brought out new stocks of the green, white, red and black Palestinian standard. Crowds gathered to welcome home hundreds of prisoners released from Israeli jails, and a half-dozen leaders of the new Palestinian police force arrived quietly to make preparations for 1,000 policemen expected in the next few days.

But after months of false starts and delays, after high expectations that were dashed by

continuing economic hardship, the ceremony in Cairo seemed to be just another milestone on what is turning out to be an excruciatingly difficult passage for the Palestinians.

"Yesterday, I didn't believe they would sit and sign it," Mr. Msalam said. "Now, I'm less worried. I see that it's for real."

The Msalam family, refugees from the 1948 war, have long been caught up in the struggle with Israel, and even as they watched the Gaza-

See FAMILY, Page 4

Bonn Overcomes Hurdle To Lufthansa Privatization

Compiled by Our Staff From Dispatches

BONN — The German government cleared the way Wednesday for the full privatization of Lufthansa AG after agreeing to a deal with the unprofitable national airline on meeting its pension liabilities.

Germany's finance minister, Theo Waigel, said the government intended to sell its entire 51.42 percent stake in the airline in stages.

"It is not our intention to sit on a certain proportion of the shares or to hold onto them," Mr. Waigel said.

Industry analysts said the privatization and pension deal should help the airline take a big step toward improving its competitiveness with U.S. carriers.

"Lufthansa will become more competitive because they will be able to reduce their costs more than we have seen in the past," said Hans-Joachim Koenig, an analyst at the BHF-Bank in Frankfurt. "I think they didn't take as many cost-cutting steps in the past because their major shareholder is the government."

The German airline is struggling with growing aggressiveness by U.S. competitors, currently fluctuations that make it more expensive to fly to Germany and weak European economies.

The Lufthansa parent company posted net losses of 110 million DM (\$67 million) last year

and 373 million DM in 1992. The cut in 1993 losses was helped by laying off about 4,000 Lufthansa workers. The airline's 1992 passenger totals put it in eighth place among the world's air carriers, way behind most U.S. competitors. But in terms of international passengers, Lufthansa is second only to British Airways.

Analysts have long said that privatizing the German carrier would help restore it to profitability, not to mention offering a badly needed cash injection for the government. But a sell-off has been hindered by uncertainty over who would pay the pensions of Lufthansa's 45,300 employees.

Under the complicated pension deal reached Wednesday, the government will pay a total of 1.6 billion Deutsche marks to cover the pensions of existing Lufthansa staff and retirees. It also will guarantee pensions up to 1.1 billion marks in the event of Lufthansa becoming insolvent.

The airline also will build up its own pension reserves, starting by setting aside 264 million marks in 1995, and will be liable for the pensions of staff who join after 1995.

Mr. Waigel said the government would raise more than enough funds through the privatiza-

See LUFTHANSA, Page 4

The Doubts Can Wait: First the Miracle

By Bill Keller

New York Times Service

JOHANNESBURG — Soon enough the doubts will nudge at the new South Africa. "What unity?" someone will ask of the so-called government of national unity, which will try to harness the wild ambitions of rival politicians to common purpose.

Graphs will appear demonstrating that social justice and economic growth are irreconcilable. The rainbow memory of voting day will dissolve in the realization that most voters, once they got inside the booth, voted along racial lines. The killing may resume.

But this week, South Africans have been

buoyed above self-doubt by the evidence of their own resilience. The same nation that a year ago watched rioters in the streets after the killing of a black liberation hero, Chris Hani, watched Monday night as Mr. Hani's

NEWS ANALYSIS

widow uncorked a bottle of champagne and poured for Nelson Mandela, who treated his former enemies live on national television. "I'm at a loss for words, other than 'miraculous,'" to describe how this country in spite of everything has pulled itself together and got on with it," said the playwright Athol Fugard.

Mr. Fugard tuned in to listen to the two main actors in this national drama, watching for a single mean-spirited note and hearing none from either President Frederik W. de Klerk, conceding power, or Mr. Mandela, accepting power.

"I'm not exaggerating, but I was close to tears, sitting in my apartment and listening on the radio," the writer said. "Hearing these two men, one in a sense the loser and the other in a sense the victor, and both of them passionate in their vision of a South Africa that embraced everybody."

South Africa has endured a cannonade of

See VOTE, Page 4

New on Job, Japanese Official Opens an Old Wound

By T. R. Reid

Washington Post Service

TOKYO — Moving quickly to head off an embarrassment for his wobbly new government, Prime Minister Tsutomu Hata publicly reprimanded a member of his cabinet on Wednesday who had declared that the Japanese Army's infamous "Rape of Nanking" in 1937 was a "fiction."

Mr. Hata, who is visiting Europe, issued a statement saying it was "improper" for his newly named justice minister, Shigetomo Nagano, to deny that Japanese soldiers brutalized residents of Nanking during Japan's drive to colonize China.

Mr. Nagano, a 71-year-old army general turned politician,

told the Mainichi newspaper in an interview published Wednesday that reports of the Nanking massacre were "fiction." The paper also quoted Mr. Nagano as saying that "it is wrong to say that Japan's war against China was an aggressive war."

Within hours after the interview appeared, Mr. Nagano retracted his comments.

"The aggression during the war cannot be denied," he said in a statement issued Wednesday evening. "It is a fact," he added, that "many Chinese soldiers and civilians were killed by Japanese when Nanking fell."

By trying to stem the controversy before it had time to grow,

Mr. Hata may have headed off a political jolt for his week-old cabinet, which had a highly tenuous grasp on power even before Mr. Nagano's comments.

The prime minister's quick action, and Mr. Nagano's quick retreat, demonstrated vividly how the political winds have shifted in Japan since last summer, when Mr. Hata and his fellow reformers ended four decades of conservative one-party rule. One of the key changes brought about by the coalition governments — first under Morihiro Hosokawa and now under Mr. Hata — has been a willingness to face up to

See REPRIMAND, Page 4

Kiosk 4 Countries Clear Hurdle to EU Entry

The European Parliament voted overwhelmingly on Wednesday to admit Austria, Finland, Norway and Sweden to the European Union, rejecting calls for delay until the Parliament was given a larger role in EU decision-making.

All four countries had already agreed on terms of membership with the Union, and must hold referendums. The target date for entry is Jan. 1, 1995 (Page 2).

General News

The UN sent observers to a Serbian corridor in Bosnia. Page 2.

Singapore reduced the number of lashes a U.S. teenager is to receive. Page 3.

Rwanda rebels said only their victory, not UN intervention, will end massacre. Page 4.

Book Review. Page 8.

Crossword. Page 20.

After Senna's Death, Grand Prix Tries to Slow Down

By Brad Spurgeon

International Herald Tribune

PARIS — The governing body of Grand Prix racing, under pressure to enhance safety after the deaths of the three-time world champion Ayrton Senna and another driver at last weekend's competition in Italy, said Wednesday that it was considering ways to reduce the speed of the racing cars.

But, in sidestepping for the most part the main issue — the crashes that killed Senna and an Austrian rookie driver, Roland Ratzenberger — the International Automobile Federation came out of its special high-level meeting with only three relatively limited safety measures intended to reduce accidents around the pit lanes.

"After five accidents this past weekend, including two deaths, one must be careful not to overreact," said Max Mosley, the federation's president. "We must not be tempted to force things onto the teams and create other things."

What killed Senna on Sunday at the Tamborello curve at Imola, Italy, and Ratzenberger 24 hours earlier, at the start of a curve just up the track, remain unknown. Senna died of exten-

sive head injuries after his Williams-Renault hit the circuit's concrete wall straight on. Ratzenberger also died of head injuries after hitting the wall in his Simtek-Ford.

The Williams team said no decision on a replacement for Senna would be made until next week. He was to be buried in São Paulo on Thursday morning.

Mosley, quoted by Reuters, said Wednesday that Senna had reached a speed of 310 kilometers an hour (192 miles an hour) when he lost control of his car. "Why he lost control we don't know yet," he said.

Mosley said the exact reasons for the crashes would not be known until the Grand Prix governing body, known by its French acronym, FIA, and the drivers' teams were able to get the cars and equipment back from Italian authorities.

"The whole picture will not be known until the car is back with the teams and will be examined," he said, adding that it might be a month before more definite answers were available.

He and Simtek officials said Ratzenberger



São Paulo cadets carrying Ayrton Senna's coffin to the Congress on Wednesday.

Newsstand Prices	
Bahrain	6.800 Din
Cyprus	6.100 C
Denmark	14.000 D.Kr.
Finland	11 F.M.
Gibraltar	6.085 G.P.
Great Britain	5.000 £
Japan	1.100 ¥
Kuwait	500 Fils
Malta	35 C.
Nigeria	50.000 Naira
Norway	15 N.Kr.
Oman	1,000 Rials
Qatar	8.000 Rials
Saudi Arabia	9.000 R.
South Africa	8.50 Dirh
U.A.E.	1.10 Dirh
U.S. Mil.	1.10 Dirh
Zimbabwe	200.000

Dow Jones	
Down	18.68
3697.75	
Trib Index	
Down	1.35%
110.86	
The Dollar	
New York	West. close
DM	1.6545
Pound	1.502
Yen	101.845
FF	5.694
previous close	1.637
	1.5135
	101.00
	5.6108

It's a New World for White Farmers

By William Claiborne
Washington Post Service

WEIPE, South Africa — The Limpopo River Kommando, a paramilitary group of white farmers who for years fought skirmishes with infiltrating African National Congress guerrillas along the Zimbabwe border here, has made some adjustments for the new South Africa.

For one thing, Piet Esterhuysen got rid of the six bull mastiffs and Doberman pinschers that used to roam the razor-wire perimeter of his farmstead at night, replacing them with an overweight and somewhat somnolent family dog of questionable ancestry. Then he sold the armor-plated pickup trucks he used for minesweeping drives every morning over the dirt roads that cross his farm, which is just 300 yards from the border.

As apartheid collapsed and Nelson Mandela began negotiating a peaceful transfer of power to a black-led government, Mr. Esterhuysen put away the Israeli-made Uzi submachine gun that he had kept constantly by his side, and his children began traveling to their school in Messina, 45 miles to the east, without a military escort.

But the biggest adjustment may have come in the lead-up to South Africa's first all-race election. Instead of resisting, Mr. Esterhuysen and his neighbors organized a voter education day for their black workers and invited ANC canvassers to come to the farm to speak, along with campaign workers from the governing National Party.

"I don't think six years ago I ever thought I'd be inviting the

ANC to my farm to canvass my laborers for an election," he told an American visitor, with whom he last talked in June 1988, shortly after five ANC infiltrators attacked the house of another white farmer nearby with rocket-propelled grenades and then escaped back into Zimbabwe.

Even the ANC election campaigning in this heartland of white conservatism, viewed in the context of the dizzying speed with which South Africa is being transformed to a democracy did

'Well, the world has got to change, and you have to go with it.'

Piet Esterhuysen, white South African farmer.

not seem too extraordinary to most white farmers in the Limpopo Valley, Mr. Esterhuysen said.

After all, only two weeks earlier, Joe Modise, the longtime commander-in-chief of the ANC's Spear of the Nation guerrilla force, made a campaign appearance in Messina, not far from where he used to dispatch his fighters for terror raids against white farmers.

Mr. Modise was accompanied by Mithabelli Ncube and Mzandeli Nondula, two former ANC guerrillas who in 1989 were sentenced in a Messina court to be hanged after being convicted of plotting land mines on this side of the 175-mile border with Zimbabwe, the former Rhodesia. Mr.

Ncube and Mr. Nondula were released under a 1992 amnesty. "Well, the world has got to change, and whether you like it or not, if you commit yourself to change, you have to go with it," said Mr. Esterhuysen, who owns 500 acres of irrigated land, employs 300 black laborers and describes himself as a pragmatic businessman and not a politician. "It's the only solution."

"A lot of people around here are from Rhodesia and have been through the war there," said Mr. Esterhuysen, who grew up in the northern Transvaal. "They saw that after the changes there you still had to go on living. You have to look after yourself."

The 41-year-old farmer and his wife, Bee, who have six children, made no attempt to mask their lack of enthusiasm for a black-majority government.

"Frankly, I can't see us under a government like that," he said. "If you look at the ANC, there's been an economic mess when this has happened. But then, things weren't right in South Africa either, so you couldn't have done otherwise."

His resignation is a reflection of the mood of many white South Africans who have too large a financial stake here to consider leaving and are relying heavily on what they perceive to be the mutual dependency of blacks and whites to allow them to stay and prosper after the remarkable transfer of power that is taking place.

They may long for the white

ministry that is promised by the rightist campaign signs that abound in this region, but most of

them have grudgingly accepted the reality that it is not what they are going to get. "There's no use being scared of a black government," he said. "We have to work with each other, and I think the most important things for this new government are establishing law and order and assuring economic stability."

Mr. Esterhuysen, who said he paid his black farm laborers the equivalent of \$60 to \$150 a month and his skilled workers about \$300, acknowledged that it would only be natural for a new black-led government to seek higher wages and an improved standard of living for the black majority. "I can live with that," he said. "If the work attitude is right, their wages can also go up. But if people come and demand more pay for no more performance, well, that's another thing."

"What I worry about is that their expectations may be too high," he added. "They may think that right after the election money is going to fall like rain. I think even Mandela is trying to tell them now that they have to be more realistic."

Avraham Luruli, an ANC election coordinator in Messina, said he had detected a gradual shift in attitudes among whites in the northern Transvaal after a wave of panic in which many whites stockpiled food and ammunition for what they feared would be a backlash of retribution and score-settling by blacks.

"There seems to be an understanding between blacks and whites," he said. "They may not like what is happening, but they are learning to accept it."

Natal Race Tightens as ANC Claims Vast Fraud

By Kenneth B. Noble
New York Times Service

DURBAN, South Africa — Uncertainty surrounded the outcome of elections in the volatile Zululand heartland of Natal on Wednesday, with new vote totals showing a very close race between the African National Congress and its adversary, the Inkatha Freedom Party.

Even though the polls closed five days before, the battle for control of South Africa's most fiercely contested province intensified as officials of the ANC and Inkatha accused each other of across-the-board cheating and vote rigging.

Still-incomplete returns showed Inkatha slightly ahead of the ANC, 43 percent to 38 percent, in counting for the Natal provincial legislature.

"We believe Inkatha had its own private polling stations, 54 of them," said Ronnie Mamoea, an ANC spokesman. Other alleged irregularities in voting ranged from tampering with the plastic seals used to close ballot boxes to chasing monitors from polling stations to intimidating people casting ballots.

The Inkatha leader, Chief Mangosuthu Buthezi, described the accusations as "quite extraordinary." Speaking in Ulundi, the capital of the soon-to-be defunct homeland of KwaZulu, Chief Buthezi reacted indignantly, saying the allegations were made because "we are whipping the ANC" in Natal, a region of 6 million people.

Another senior Inkatha official, Themba Khoza, said in Johannesburg that the elections had not been free and fair. "We were robbed," he said.

It was difficult to assess the various charges. Members of the Independent Electoral Commission, while expressing concern, said they were not persuaded that these incidents, taken together, constituted proof of systematic election fraud.

At the same time, however, Johann Krieger, the chairman of the electoral commission, said that computer sabotage was part of the reason for delays in the ballot counting. But Mr. Krieger insisted that the incident had made "a very trivial difference" on overall trends in election results.

The contest in Natal is being closely watched because the province is believed to have been the scene of nearly half of the country's political killings in the last decade. A victory by Inkatha, which has its strongest following in Natal, would probably go a long way toward defusing many of the tensions in the region.

Vote-counting has been a very slow and tedious affair and is still far from complete. In the national vote, the returns so far give the ANC a solid 62.5 percent of the vote and the National Party 22.1 percent, with Inkatha in third place with 8.3 percent.

In the counting for the nine provincial legislatures, the ANC is ahead in seven, with the National Party ahead in the western Cape and Inkatha slightly ahead in Natal.

FAMILY: Exhausted by War, Palestinians in Gaza Are Wary of Peace

Continued from Page 1

Jericho papers being signed by Yasser Arafat, the PLO chairman, and Prime Minister Yitzhak Rabin of Israel, the cycle of the conflict had not ended.

When a reporter visited them last fall, they were awaiting the return of their eldest son, Moen, 34, whom Israel deported in 1991, accusing him of being a leader in the PLO, the major faction in the EL Fatah, and inciting violence against Jews. Moen worked for a while at the PLO headquarters in Tunis. Recently, he was among more than 150 deportees and fugitives who have returned to Gaza, sanctioned by Israel as part of the peace accord.

But the parents' excitement at his return was tempered by the night in March that Israeli soldiers climbed over the cinder-block wall and arrested their other son, Rafik, 26, and took him to the Ketziot prison in the Negev, where he is still being held.

Outside the house, shielded from the sun by a makeshift wall of blankets, Moen smoked cigarettes and drank coffee with friends perched on bench seats removed from cars and vans. The friends listened with respect to his words, laced with



Palestinians in Jericho expressing their feelings after they heard that the accord had been signed.

Main Points of Gaza-Jericho Pact

Washington Post Service

Following are some of the main points in the Gaza-Jericho accord signed Wednesday in Cairo.

• The new 24-member Palestinian Authority, chaired by the PLO chairman, Yasser Arafat, will assume authority in most civilian affairs.

• Jurisdiction of the Palestinian Authority will cover a 62-square-kilometer area (about 24 square miles) around the West Bank town of Jericho and the Gaza Strip except for Jewish settlements there, main roads leading to those settlements, and Israeli military installations.

• A 9,000-member Palestinian police force will provide security in the autonomous areas. Of these, 7,000 will come from outside the territories and 2,000 others will be recruited from within.

• Israeli troop withdrawal is to be completed within three weeks from the signing of the agreement.

• A Joint Civil Affairs Coordination and Cooperation Committee and two Joint Regional Civil Affairs Subcommittees, one for the Gaza Strip and the other for the Jericho area, are to be established to coordinate and cooperate in civil affairs between the Palestinian Authority and Israel.

• Legislation passed by the Palestinian Authority is to be communicated to a legislation subcommittee of the Joint Civil Affairs Coordination and Cooperation Committee for review.

• If the subcommittee is unable to reach a decision, the legislation will be referred to the Joint Israeli-Palestinian Liaison Committee set up under the Declaration of Principles signed in Washington last September.

• Laws and military orders in effect in the Gaza

Strip or Jericho area prior to the signing of the agreement shall remain in force, unless amended or abrogated by the agreement.

• Israel will continue to have responsibility for defense against external threats and for the overall security of Israel and Israeli settlements.

• Israel and the Palestinian Authority shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and without violating freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.

• Both sides shall take all measures necessary to prevent acts of terrorism, crime and hostilities directed against each other... and take legal measures against offenders.

• Both sides agree to a temporary international or foreign presence of observers in the PNA territory, which shall consist of 400 qualified personnel from 5 or 6 donor countries and be funded by them.

• The Palestinian authority will control water resources in Gaza and Jericho in principle, but Israel will continue to pump water in the two areas.

• Israel reserves the right to arrest and prosecute all Israelis in the autonomous zones. Except for certain cases, Palestinians and third-country nationals will be under Palestinian legal authority.

• The Palestinian Authority can print postage stamps, have an international telephone code and allocated frequencies for radio and television transmissions, and issue Palestinian residents travel papers, good for three years, which will say "laissez-passer" and "passport."

UN Won't Succeed, Rwandan Rebels Say

Reuters

RUSOMO, Rwanda — The commander of Rwanda's rebel forces said Wednesday that a United Nations force would fail to bring peace to Rwanda. The only way to stop the massacres was a guerrilla victory, he added.

On a tour of areas captured by in a monthlong rebel offensive, Major General Paul Kagame, head of the Rwanda Patriotic Front, said rebel forces were intent on saving innocent civilians from mass slaughter.

"Our priority is to pacify as much of the country as we can," he said at a press conference near the

Tanzanian border. "We will keep a tight grip on Kigali, but our priority is to try and save as many people as possible throughout the country." Kigali is the capital.

Asked about UN proposals for a strong international force to intervene in Rwanda to stop the blood-bath, General Kagame said:

"Outside forces do not solve problems we have in Africa. They come in with little understanding of the situation or they take sides in the conflict." Ultimate victory by the Patriotic Front "is the best solution for this country," he added.

He said he believed powers pushing for such a force wanted to prevent the rebels from emerging as the clear winner.

"Specifically, I talk about the French, who want to influence things to the benefit of the remnants of the regime."

The Patriotic Front accuses France of supporting the government of President Juvenal Habyarimana, whose killing in a rocket attack on his plane on April 6 triggered the massacres. An interim government from the Hutu majority took over in Kigali.

The rebel front is dominated by

the Tutsi minority, which witnesses and aid workers say has taken the brunt of the campaign of mass slaughter by government forces. Hutu militiamen and mobs.

General Kagame was speaking in the border town of Rusomo, where more than 250,000 refugees, mainly Hutu, flooded into northwest Tanzania within 24 hours last week, fleeing the advancing rebels.

Asked about rebel refusal to meet members of the government in Tanzania since Tuesday, General Kagame said it made no sense to agree to talk peace with them.

REPRIMAND: New on the Job, a Japanese Aide Opens an Old Wound

Continued from Page 1

Japanese actions before and during World War II, and to apologize to the victims.

The message Mr. Hata delivered Wednesday was that it was no longer acceptable for officials to deny Japan's war crimes.

For decades, rightist nationalists in Japan have defended or simply denied Japan's brutal colonization of East Asia. Their argument, in part, is that Japan's thrust into Asia was not an aggressive war but actually a war of liberation designed to free Asian nations from control by Western powers. The nationalists, faced with historical evidence of Japanese brutality, have said the photographs and interviews were faked.

The idea that Japan was not an aggressor is a minority view here. But it was at least respectable enough to be espoused by some lawmakers in the Liberal Democratic Party, which controlled the government until last summer.

Indeed, the new justice minister expressed such views himself when he was a Liberal Democrat. In those days, there were no rebukes from the political leaders to people who made such remarks.

But Mr. Hosokawa, Mr. Hata and most

members of their centrist coalition have changed Japan's official stance toward the war. Emperor Akihito is scheduled to visit the Pearl Harbor memorial in Honolulu this summer and apologize to Americans for the attack. Japan's political leadership controls the emperor's travel. It is unlikely that this visit would have been permitted if the Liberal Democrats still governed Japan.

The statement Mr. Hata issued Wednesday is characteristic of the new tone.

"Our nation's actions, including aggression and colonial rule, caused unbearable suffering and sorrow," the prime minister said. "All of us, one by one, must see this history as it is and share a joint determination that it shall not happen again."

Mr. Hata said he wanted to question his justice minister further about his view on the Nanking massacre. "In any case," he said, "the statement 'the Nanking massacre is fiction' is improper."

Japan invaded mainland China in the 1930s, hoping to bring the largest Asian nation into the "Greater East-Asian Co-Prosperity Sphere." Incubated with the belief that the Japanese were superior to all other peoples, the

Japanese Imperial Army killed, tortured and enslaved large numbers of Chinese whenever they gained a foothold.

When Nanking, the great southern commercial center, fell to the Japanese in December 1937, the army went on a rampage. The Tokyo War Crimes Tribunal found that 150,000 Chinese were murdered, and that tens of thousands were raped and tortured. Chinese estimates say that 300,000 were killed.

The carnage can be seen on newsreel film, and some of the footage was used in the movie "The Last Emperor" to demonstrate Japanese brutality.

Mr. Nagano told the Mainichi newspaper that he thought the massacre was a fiction because he was dispatched there as a soldier "right after Nanking fell."

In fact, Mr. Nagano did not arrive in Nanking until three and a half years after the massacre.

In the statement issued after Mr. Hata

LUFTHANSA: Airline for Sale VOTE: Buoyed Above Self-Doubt

Continued from Page 1

tion to offset its costs of the pension plan.

The first step in the government's plan to divest the airline will occur later this year, when it will not subscribe to a planned capital increase in which Lufthansa hopes to raise more than 1 billion DM by offering new shares. That abstention will dilute the government's stake to less than 50 percent. From there, it will sell its shares in stages, Mr. Waigel said.

"The federal government is opening up for Lufthansa every chance after the difficult and money-losing years of maintaining itself as a global player in international competition," Mr. Waigel said in joint statement with the country's transport minister.

Analysts agreed that the plan could mark the start of better times for Lufthansa, especially after the good news the airline received from the U.S. government last week in the form of approval of its code-

sharing agreement with United Airlines. The agreement allows both airlines to coordinate flight reservations to channel passengers onto connecting flights with the other airline.

But the analysts said more details on the timing of the government sale were needed before they could judge the plan's potential impact on share prices. Lufthansa shares closed at 219.80 DM Tuesday and were suspended Wednesday.

"It could well be tricky persuading investors to buy new shares when the government could offload old stock without warning," an analyst at a Munich bank said. "What is needed is some form of commitment from the government or indication of its plans."

While Mr. Waigel said the government could raise about 150 million DM this year with the sale of Lufthansa shares, it remained unclear when the government would sell its entire stake.

(Reuters, AP, AFP, Bloomberg)

Continued from Page 1

crises — homeland coups, a gun battle in the business district, racial political violence, a state of emergency, an expose of police atrocities, car bombs — and that is just the last six weeks.

Casting hindsight further back, across the massacres and withering drought and 20 years of steady economic decline and the cruelties of apartheid itself, what reason was there to suspect that South Africa not only would muddle this far on its feet, but also would emerge from white rule with an elegance of spirit?

One possible explanation is that apartheid itself gave South Africans, those who benefited from it and those opposed, a useful ability to live with the unthinkable and adapt to the imperfect.

The election, for example, was a clumsy improvisation, so riddled with irregularities that the electoral commission threw away the rule-book to validate the outcome.

But here, perhaps because the overall winner was never in doubt and most parties are assured a seat in the new government anyway, or

perhaps because the fiasco seemed like so much else of South African life, no one seized on the failings as an excuse to walk out.

Samuel Terreblanche, an economic historian at University of Stellenbosch, said the real explanation for South Africa's endurance of so much misery was that the rulers had an impoverished black majority to fear it for them.

"The worst knots — the poverty, criminality in the townships, the violence — were shifted to the poorest of the black population," he said, a luxury the country can no longer get away with.

Bafana Khumalo, a critic at the weekly Mail newspaper, said the country had put up with so much out of fatigue and an innate pragmatism. Blacks, he said, are too tired for revenge, and realize it will not restore slain relatives and bulldozed houses anyway.

"The reason there hasn't been much of a call for Nuremberg trials, I suppose, is that nobody really wants to go through all that again," he said.

Mr. Khumalo, who prides himself on his cynicism that stands up well to national euphoria, has found his attitude hard to hold.

First, he told friends he would not vote at all because he hated standing in line. Then he happened upon a polling place with no line, so he voted, but insisted he felt no thrill of democratic sentiment.

On Sunday, he switched on the television and heard the returns from the Western Cape, the one province where Mr. de Klerk's National Party was winning.

"All I saw was this tally showing the ANC getting pulverized by the National Party," he said.

"I didn't understand, and the TV didn't explain, I said, 'Oh God, here we go again.' It really freaked me out. I spent the day glued to the TV until I saw the ANC getting somewhere."

Only then was it safe to go back to being cynical.

Mexican Police Hold Tijuana Aide

Washington Post Service

MEXICO CITY — Federal police have arrested a high-ranking law-enforcement official in the border state of Baja California in connection with a major narcotics-trafficking operation and possibly the assassination last week of the police chief of Tijuana.

The federal attorney general, Diego Valadez, said he had ordered the arrest of Baja California's deputy attorney general, Sergio Ortiz Lara, as part of an ongoing corruption investigation among police officials in Tijuana.

Herald Tribune
LIVING IN THE U.S?
NOW PRINTED IN
NEW YORK
FOR SAME DAY
DELIVERY IN KEY CITIES
TO SUBSCRIBE, CALL
1-800-882-2884
(IN NEW YORK, CALL 212-752-3890)

THIRTY YEARS
FOR INTERNATIONAL

Founded in 1964 by Dr. Walter... continues to serve as president. Schiller University has taken a global approach... from its inception. Today, it attracts students... comes to its 10 campuses in six countries... a truly international education that prepares... a global marketplace and a...



Johann Christian Friedrich von Schiller 1759-1805

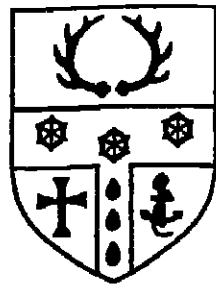
AN APPETITE
FOR INNOVATION

Founded as an American university for Americans in England, Schiller University was the first to offer a degree program in the U.S. in 1973 by a residential campus in London. One year later, the first campus was opened in New York City. In 1975, the first campus was opened in London. In 1977, the first campus was opened in London. In 1979, the first campus was opened in London. In 1981, the first campus was opened in London. In 1983, the first campus was opened in London. In 1985, the first campus was opened in London. In 1987, the first campus was opened in London. In 1989, the first campus was opened in London. In 1991, the first campus was opened in London. In 1993, the first campus was opened in London. In 1995, the first campus was opened in London. In 1997, the first campus was opened in London. In 1999, the first campus was opened in London. In 2001, the first campus was opened in London. In 2003, the first campus was opened in London. In 2005, the first campus was opened in London. In 2007, the first campus was opened in London. In 2009, the first campus was opened in London. In 2011, the first campus was opened in London. In 2013, the first campus was opened in London. In 2015, the first campus was opened in London. In 2017, the first campus was opened in London. In 2019, the first campus was opened in London. In 2021, the first campus was opened in London. In 2023, the first campus was opened in London. In 2025, the first campus was opened in London. In 2027, the first campus was opened in London. In 2029, the first campus was opened in London. In 2031, the first campus was opened in London. In 2033, the first campus was opened in London. In 2035, the first campus was opened in London. In 2037, the first campus was opened in London. In 2039, the first campus was opened in London. In 2041, the first campus was opened in London. In 2043, the first campus was opened in London. In 2045, the first campus was opened in London. In 2047, the first campus was opened in London. In 2049, the first campus was opened in London. In 2051, the first campus was opened in London. In 2053, the first campus was opened in London. In 2055, the first campus was opened in London. In 2057, the first campus was opened in London. In 2059, the first campus was opened in London. In 2061, the first campus was opened in London. In 2063, the first campus was opened in London. In 2065, the first campus was opened in London. In 2067, the first campus was opened in London. In 2069, the first campus was opened in London. In 2071, the first campus was opened in London. In 2073, the first campus was opened in London. In 2075, the first campus was opened in London. In 2077, the first campus was opened in London. In 2079, the first campus was opened in London. In 2081, the first campus was opened in London. In 2083, the first campus was opened in London. In 2085, the first campus was opened in London. In 2087, the first campus was opened in London. In 2089, the first campus was opened in London. In 2091, the first campus was opened in London. In 2093, the first campus was opened in London. In 2095, the first campus was opened in London. In 2097, the first campus was opened in London. In 2099, the first campus was opened in London. In 2101, the first campus was opened in London. In 2103, the first campus was opened in London. In 2105, the first campus was opened in London. In 2107, the first campus was opened in London. In 2109, the first campus was opened in London. In 2111, the first campus was opened in London. In 2113, the first campus was opened in London. In 2115, the first campus was opened in London. In 2117, the first campus was opened in London. In 2119, the first campus was opened in London. In 2121, the first campus was opened in London. In 2123, the first campus was opened in London. In 2125, the first campus was opened in London. In 2127, the first campus was opened in London. In 2129, the first campus was opened in London. In 2131, the first campus was opened in London. In 2133, the first campus was opened in London. In 2135, the first campus was opened in London. In 2137, the first campus was opened in London. In 2139, the first campus was opened in London. In 2141, the first campus was opened in London. In 2143, the first campus was opened in London. In 2145, the first campus was opened in London. In 2147, the first campus was opened in London. In 2149, the first campus was opened in London. In 2151, the first campus was opened in London. In 2153, the first campus was opened in London. In 2155, the first campus was opened in London. In 2157, the first campus was opened in London. In 2159, the first campus was opened in London. In 2161, the first campus was opened in London. In 2163, the first campus was opened in London. In 2165, the first campus was opened in London. In 2167, the first campus was opened in London. In 2169, the first campus was opened in London. In 2171, the first campus was opened in London. In 2173, the first campus was opened in London. In 2175, the first campus was opened in London. In 2177, the first campus was opened in London. In 2179, the first campus was opened in London. In 2181, the first campus was opened in London. In 2183, the first campus was opened in London. In 2185, the first campus was opened in London. In 2187, the first campus was opened in London. In 2189, the first campus was opened in London. In 2191, the first campus was opened in London. In 2193, the first campus was opened in London. In 2195, the first campus was opened in London. In 2197, the first campus was opened in London. In 2199, the first campus was opened in London. In 2201, the first campus was opened in London. In 2203, the first campus was opened in London. In 2205, the first campus was opened in London. In 2207, the first campus was opened in London. In 2209, the first campus was opened in London. In 2211, the first campus was opened in London. In 2213, the first campus was opened in London. In 2215, the first campus was opened in London. In 2217, the first campus was opened in London. In 2219, the first campus was opened in London. In 2221, the first campus was opened in London. In 2223, the first campus was opened in London. In 2225, the first campus was opened in London. In 2227, the first campus was opened in London. In 2229, the first campus was opened in London. In 2231, the first campus was opened in London. In 2233, the first campus was opened in London. In 2235, the first campus was opened in London. In 2237, the first campus was opened in London. In 2239, the first campus was opened in London. In 2241, the first campus was opened in London. In 2243, the first campus was opened in London. In 2245, the first campus was opened in London. In 2247, the first campus was opened in London. In 2249, the first campus was opened in London. In 2



Founded in 1964 by Dr. Walter Leibrecht, who continues to serve as president, Schiller International University has taken a global approach to education from its inception. Today, it attracts students from 130 countries to its 10 campuses in six countries, offering a truly international education that prepares them for a global marketplace and a global future.

SCHILLER INTERNATIONAL UNIVERSITY



دكتور من الامم المتحدة

ADVERTISEMENT



THIRTY YEARS OF EDUCATION FOR INTERNATIONAL CAREERS

A student at Schiller International University might start out at the English Language Institute at Wickham Court, perfecting his or her English and gradually taking on additional courses as proficiency improves. The next year might find this student in Heidelberg, continuing studies in international business, with additional German cultural enrichment. In order to get closer to the heart of the European Parliament, the next stop might be Stras-

bourg, with the final year in the high-powered business atmosphere of London to complete work on a Bachelor of Arts degree in international business before going

majority of undergraduate students spend at least one term at a second campus; many go to three or four. Says the university's president, Dr. Walter Leibrecht:

"We are not culture-bound in any sense"

on for a Master of Arts degree in international relations and diplomacy.

"Not only is this possible, this is what students at Schiller actually do," says Cathy Eberhart, vice president for academic affairs. "A

Schiller has a niche filled by very few institutions: providing a truly international education, not just a few courses here and there. All courses, with very few exceptions, contain an international aspect. We are not culture-bound in any sense."

The Heidelberg campus is spread over three buildings: the Villa Manesse, which houses administrative offices and undergraduate classes, with the Collegium Palatinum language institute in an adjacent building; the German-American Institute, with its library, lectures and cultural events across the street; and the Palais Friedrich, which houses graduate programs and dormitories.

In Strasbourg, students and faculty study and live together in the landmark Château de Pourtales, one of the smallest SIU campuses, with students from 19 nations. An additional 40 MBA students are mostly professionals from the greater Strasbourg area. Historically a feeder campus for Heidelberg and London, Strasbourg is developing its own identity, with a four-year BBA program in international business and the

first two years of hotel management.

The London campus at Royal Waterloo House is SIU's largest, with students from 80 countries. Most are studying for international relations and diplomacy and international business degrees, but hotel management is also strong. There is a trend toward combining business with another field, such as engineering management or computer management. Programs unique to the London campus are pre-med, pre-engineering and commercial art.

SIU's second Greater London residential campus is located in the 15th-century mansion of Wickham Court near Croydon. Here, students complete their first two years of preparatory work before transferring to another Schiller campus, or follow intensive English instruction at the English Language Institute.

Non-residential campuses occupy modern buildings in the hearts of Paris and Madrid. Paris remains a great favorite of Americans, who comprise about 40 percent of the student body. In addition to the regular full-time program, SIU Paris offers a part-time executive MBA program instituted last year. The business administration and international relations and diplomacy programs claim the largest number of undergraduates. Madrid is the only large Schiller campus where nationals comprise a majority



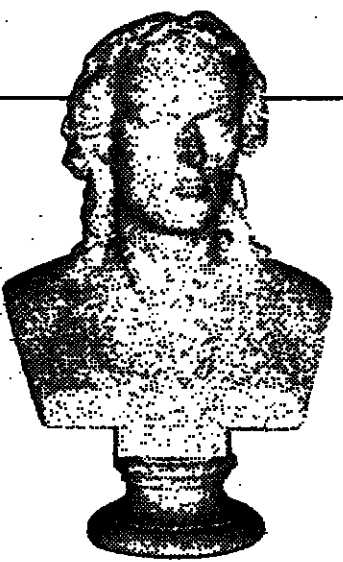
Clockwise from top left of page: students at West Wickham; American College of Switzerland campus; Florida campus; the library at Heidelberg; computer lab at the Madrid campus.

of the students: 61 percent. More Spanish students began to realize the importance of an international education in 1987, after Spain joined the European Community. The strongest field is international business, followed by international relations

and diplomacy. SIU's two specialized campuses are Berlin and Engelberg, Switzerland. Berlin concentrates on preparation for the MBA degree. The Engelberg campus is comprised of two working hotels, which offer its hotel management

major invaluables hands-on experience. The new members of the Schiller University network are the American College of Switzerland in Leysin and the Florida campus in the Tampa area. While the largest block of students at

the Florida campus is American, they comprise only one-sixth of the students, who come from 41 countries. In addition to international business and international relations, Florida offers a degree in hotel and tourism management.



Johann Christoph Friedrich von Schiller (1759-1805).

AN APTITUDE FOR INNOVATION

Founded as an American university for the children of Americans living in Europe or for American students wanting to spend a year abroad, Schiller soon attracted young men and women from other nations who appreciated the flexibility, practicality and personalized attention of the American educational system.

To its first location in a 16th-century castle, Ingersheim, were added, in 1968, campuses in Paris and Madrid. One year later, the Ingersheim campus was transferred to Heidelberg. A cooperative agreement was signed in 1969 with the State University of New York to send groups of students to Schiller for one or more terms. This is the oldest of several cooperative study programs with American universities.

In 1970, SIU opened a campus in London, followed in 1973 by a residential campus in Strasbourg. Schiller launched an MBA program at its London campus in 1977. The next year, SIU London acquired Wickham Court, which became another residential campus. In 1981, the main London campus moved to Royal Waterloo House in Central London, which was purchased by the university. Schiller also acquired the Collegium Palatinum language schools. In 1983, SIU was accredited by the Association of Independent Colleges and Schools. In 1981, London City College, a training center for professional qualifications, became a part of Schiller.

A campus in Engelberg, Switzerland, emphasizing international hotel management, began operation in 1988. In 1990, SIU acquired the Palais Friedrich in Heidelberg, which houses administrative offices and Heidelberg's graduate business program. That same year, the Paris campus moved to its present location in the lively Montparnasse quarter of the city.

In 1991, SIU's campus in the United States opened at Dunedin, Florida, in the Tampa-St. Petersburg metropolitan area, when Schiller purchased the campus of Trinity College. A new campus opened in Berlin with a focus on preparation for the MBA. In July, SIU acquired the American College of Switzerland in Leysin, bringing the number of Schiller campuses to 10.

The 30th anniversary of the founding of Schiller International University is being celebrated this spring, with plans to hold a meeting of alumni — an international network of businesspeople, educators, government officials and diplomats — at Engelberg.

For more information, contact: Schiller International University, Admissions Office, 51 Waterloo Road, London SE1 8TX, England. Tel.: (44 71) 928-1372, fax (44 71) 620-1226; or 453 Edgewater Drive, Dunedin, Florida 34698, USA. Tel.: (1 813) 736-5082, fax (1 813) 736-6263.

PIONEER IN MULTICULTURAL LEARNING

It was Dr. Walter Leibrecht's experience as a lecturer at Columbia University and a professor at Harvard University and the University of Chicago in the 1950s and early '60s that convinced him of the strengths of the American college system. "I was very much impressed with the tutor approach at Harvard," he says, "and felt that the younger students needed that personalized attention; students at large European state universities often get lost."

Returning to Heidelberg, where he had received his doctorate from the University of Heidelberg, he proposed to the German educational authorities that they set up a network of American-style colleges in small towns around Heidelberg. "I failed miserably," he recalls. "It didn't fit the system."

He decided to do it himself, opening Schiller College in 1964 with 35 American students in a 16th-century castle, Ingersheim. "At the beginning, the students did everything themselves, running the offices and kitchen, building the library. It was a self-made college."

Why the name Schiller? "We were located across from the town of Marbach, where Friedrich Schiller was born, and his philosophy of freedom and human rights was in line with our principles," Dr. Leibrecht says. "Right from the start, we wanted to make studying at

Schiller a truly international experience. Studying abroad was 'in' in the '60s and early '70s, a period when American education was very concerned with and optimistic about international relations. The Vietnam War put a damper on this, and Americans became more inward-looking, with students of the '70s working more in the inner cities than going to Europe."

Between 1971 and 1977, the number of American stu-

dent in another. In 1991, Schiller acquired the campus of Trinity College in Florida, which has become the home campus of the university. That means that most Schiller students will now complete part of their studies in Europe and part in the United States.

"The character of the school has also changed," Dr. Leibrecht observes. "The first group were philosophy and literature students. Today, the most pop-

ular fields of study are business administration, international relations and diversified areas like hotel management and banking, but all students still get a heavy dose of liberal arts."

Schiller was a pioneer in business administration, offering one of the first American MBA programs in Europe. Now there is increasing competition from European state universities, which have started offering their own MBA programs.

As for the strengths of Schiller, Dr. Leibrecht says, "We were truly international from the outset. The educational system, the accreditation

"From the start, we wanted to make Schiller international"

and our base are all American; our students and faculty are international. Practically every student studies two languages, which enhances his or her chances of getting a job."

In addition, Dr. Leibrecht cites "our excellent faculty. We have professors from 30 to 40 countries. We offer a rigorous academic program that is nevertheless practice-oriented, and we pay individual attention to each student. Students can study in four different countries during preparation for a degree, yet remain in one and the same university. This is a big plus, for instance, for those who study international relations and are preparing for a diplomatic career."

Yet one of the biggest assets is the over 15,000 alumni of the university, many of whom are now in important positions in countries all over the world. The alumni have become increasingly active for the university. They assist each other and can be of great help to the newly graduated students at the start of their careers."

Dr. Leibrecht admits that operating a private educational institution in Europe in the face of a recession is a struggle, but this is not his first. "Our U.S. campus is growing. The appeal of the European experience, especially for American students, is returning. We have recently received letters from additional American universities seeking to establish cooperative programs with us."

A CAMPUS PROFILE

During the Gulf War, Kuwaiti, Iraqi and Palestinian students at the American College of Switzerland watched the conflict together on CNN, frequently erupting into verbal conflict themselves, then went out for a friendly snack. The Yugoslavian crisis triggered a spirited debate between a Serbian and a Croatian student. "One of our strengths is that any international issue takes on a real, personal perspective with our students," says Nancy Carroll, provost of the most recent addition to Schiller International University.

ACS, which predates Schiller by one year, was founded in 1963 on principles similar to those Dr. Walter Leibrecht sought to implant at Ingersheim: to make an American university education available in Europe. In 1991, ACS merged with Schiller International University after the college had run into severe financial problems. Yet the American College continues its own identity, character and tradition while a member of SIU. At present, students from over 40 countries study at ACS, and the college has illustrious alumni, among them the actors Sylvester Stallone and Glynne Headley.

In addition to the traditional American college program, ACS offers a prep program that prepares students on an individualized basis for entrance to American universities. As is the case with several other Schiller campuses, the setting is spectacular. Located above the vacation and ski resort town of Leysin, on the side of a hill overlooking Lake Geneva and the French Alps, ACS occupies the former Grand Hotel, a late-19th-century bastion of elegant Swiss *hôtellerie*. Remnants of grandeur remain in the richly paneled dining room and in the baroque ballroom that now serves as an assembly hall and site of graduation ceremonies. By and large, the hotel has been transformed into an efficient, self-contained campus where students live and study in modern surroundings.

Professor Carroll, who has been with ACS for 25 years, emphasizes the core curriculum that gives all students, even those working toward a degree in business administration, a sound grounding in liberal arts, a traditional ACS strength. Its library of 50,000 volumes is one of the largest English libraries in Switzerland.

Professor Carroll stresses the esprit de corps fostered by studying in such a close-knit environment. "Our students are our strongest selling point. Most new students come by word of mouth," she says.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Mary Krienke, a free-lance writer based in Geneva.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Chance to Be Free

It was a magical moment: the peaceful passage from an era of oppression to a dawn of liberation in South Africa. In Nelson Mandela's words, it was indeed "a joyous night for the human spirit." With a smile that would melt a snowman, and a jaunty dance that millions were soon imitating, South Africa's president-to-be claimed victory for his party, and his cause.

Part of what made this moment so special, and last week's election so moving, was the interplay between the leader and his cause. After 27 years in prison, Mr. Mandela emerged to lead a people who were also in bondage. Their struggle was embodied in the unwavering persistence, physical endurance and almost mystical spirituality of this singular man. He had been jailed years ago for daring to demand a nonracial parliament. Now he was presiding over the election of that very parliament.

It augurs well for South Africa that after a cleanly fought and entirely unprecedented election, winners and losers reached out generously to each other. This is a promising prelude to five years of power-sharing under an interim constitution. Incomplete returns put Mr. Mandela's African National Congress first with 62.5 percent of the vote, followed by President F. W. de Klerk's long dominant National Party with 22.2 percent, and the Zulu Chief Mangosuthu Buthelezi's Inkatha Freedom Party with 8.3 percent.

As important as these figures are the civility and experience in hard bargaining that developed in four years of negotiations between Mr. de Klerk's team and its National Congress partners. Should Mr. Mandela's party wind up with more than two-thirds of the vote, giving sole power to write a new constitution, it is reasonably expected that the power-sharing arrangement, a key to social peace, would still hold.

Meantime, Americans can legitimately join in the cheering. The protests of millions of ordinary American voters, black and white, emboldened the U.S. Congress to adopt, and then pass again over Ronald Reagan's veto, comprehensive economic sanctions against Pretoria's racist regime.

Popular pressure induced American banks and corporations to pull out of South Africa, thereby bolstering the internal anti-apartheid movement and further isolating a white minority government.

There is every reason for Washington to strengthen its South African connection as a freely elected government tries to jump-start a stalled economy, seeks investments and loans to build roads and schools and addresses the awesome challenge of narrowing the economic and social chasm that divides races. It is doubly in America's interest to stimulate growth and stability since South Africa and its regional neighbors offer new markets for goods and services.

Doubtless the euphoria will swiftly pass, and soon hot words will resound in a multiracial parliament. A white exodus is always possible. But, in Jesse Jackson's phrase, South Africa wisely decided to negotiate a revolution rather than have a civil war. After so remarkable and orderly an election, Americans are entitled to hope that South Africa will continue to confound expectations.

President Bill Clinton chose aptly in sending Mr. Jackson, one of Martin Luther King Jr.'s lieutenants, to lead the American observer team during the election, which in turn was aided by a \$35 million U.S. grant. The presence of King's widow at Mr. Mandela's side during the victory speech underscored the special tie between South African blacks and African-Americans. In both cases, a poor and oppressed people triumphed over monolithic power to unite a society that misused and often despised them. That is why Mr. Mandela, echoing King's most famous phrase, called on all South Africans, white and black, to "loudly proclaim from the rooftops—Free at last!"

For not only blacks have been liberated by this democratic rebirth. Whites no longer need to lie about a system whose cruelties and contradictions shamed them before the world. Blacks no longer need to struggle to be heard in the councils of their ancestral land. An entire people, a nation, has a chance to be free at last.

—THE NEW YORK TIMES.

Yes to Drug Treatment

The crime bill that is expected to become American law by summer allocates more than a billion dollars for drug courts. These are intended to provide intensive treatment and supervision instead of incarceration for first-time drug offenders. The bill also authorizes expenditures for treatment of inmates in state and federal prisons and for prevention programs aimed at high-risk individuals in low-income neighborhoods. Treating drug addicts has never been proposed as a panacea for the nation's crime problems, but effective programs would have a substantial impact not only on crime rates but also on the spread of AIDS and other public health problems related to addiction.

But does treatment work? Will all this money be well spent, or is it a delusion to expect to "cure" individuals with such a severe problem? The personal characteristics of drug abusers and the nature of the drugs involved vary widely, as do the modes of treatment now available. The latter range from the relatively cost-free 12-step programs such as Narcotics Anonymous to expensive long-term residential programs. In fact, no single medication or program will work for all patients. But anyone who seeks help—admittedly, some do not—should be able to find the right treatment.

Does methadone work? Yes, for heroin addicts whose participation is sustained. And studies show that people who are forced into treatment by courts are as successful as those

who participate voluntarily. It is the duration of treatment that determines outcome.

How about long-term residential treatment? These programs suffer a high initial dropout rate, but of those patients who complete a program, about 80 percent do not relapse. Not everyone needs this kind of expensive program, however. People who have otherwise stable lives, are employed and have a family support system may be helped by less intensive counseling and medical care. And since residential treatment often involves confrontation therapy, it might be the wrong choice for women who have been abused.

Researchers now know a great deal about chemical changes in the brain brought on by long-term addiction and are working to develop outpatient medical programs for cocaine addicts and others for whom methadone is not appropriate. Because of the nature of 12-step programs, there is only anecdotal evidence of their success. But they do work for many people and should be encouraged.

Treatment will help individuals and save lives. Addiction is a chronic and unfortunately often relapsing disorder that may never be entirely eliminated in America. But success will be measured by every patient who is even temporarily in remission, every individual coping through methadone or other medications instead of filling a jail cell, and every person whose focus moves from crime to stability.

—THE WASHINGTON POST.

Other Comment

Foreign Policy Myopia

The Clinton administration's tendency to compartmentalize foreign policy—moving in one area without calculating its effects elsewhere—has led to major contradictions in its running trade dispute with Japan. For months, the United States has been putting the squeeze on Japan to open its markets by allowing the dollar to fall in value against the yen to near-record postwar lows. It did so in blithe disregard of the inflationary pressures that this could cause domestically as imports rise in price. It is the fear of inflation, far more than upward nudges in short-term interest rates by the Federal Reserve, that has sent up long-term rates. These higher long-term rates have the administration in a tizzy out of concern that they could disrupt a booming recovery.

Too often administration goals are pursued with a kind of tunnel vision. Even before the dollar's plunge last week forced Washington to intervene to prop up the dollar, some economists were voicing concern over Trade Representative Mickey Kantor's in-your-face tactics with Japan. Mr. Kantor did well last year in winning congressional approval of trade treaties. But his tough tactics with Japan could contribute to inflationary pressures, thus hindering his own administration's plans for sustained recovery.

—The Baltimore Sun.

Keep the Pressure on Saddam

The United States and Britain are under growing pressure to agree to a relaxation of economic sanctions against Iraq. Turkey and three of the five permanent members of the Security Council now favor such a course. Ostensibly, it would reward Saddam Hussein for having complied with UN demands on his weapons of mass destruction.

The hidden agenda is rather longer, however. First, the resumption of Iraqi oil exports would offer tempting trade opportunities. The most obvious beneficiary would be Turkey, but the French, Russians and Chinese also have commercial ambitions in Iraq. Secondly, the three permanent members of the Security Council aspire to assert political influence in the region at Washington's expense.

—The Daily Telegraph (London).

For Urgent Action to Stop the Massacres in Rwanda

GENEVA—Since the tragic deaths of the presidents of Rwanda and Burundi, the people of Rwanda have suffered unspeakable atrocities. Representatives of the International Committee of the Red Cross have witnessed the slaughter of hundreds of helpless civilians, including many women and children. They have seen wounded and ill patients killed in shelters, hospitals and ambulances.

On Sunday, 24 orphans and 13 Rwandan Red Cross workers were savagely assassinated. Red Cross staff workers have tried in vain to prevent killings. They estimate that more than 100,000 Rwandans have been massacred in the past three weeks, and that about 2 million have been forced to leave their homes. Hundreds of thousands have fled the country.

Within Rwanda, thousands are housed in public buildings, private institutions or temporary shelters. These are places of relative safety for now, but certainly no guarantee of long-term security.

Fierce fighting continues between troops of the former government and those of the Rwandan Patriotic Front. Attempts to stop the massacre and bring the warring factions to the negotiating table, undertaken by African heads of state and United Nations representatives, have had no tangible results as yet. Red Cross staff workers have remained in Rwanda throughout this tragic time, doing what they can to alleviate the suffering in very difficult conditions. The constraints on our delegates are indeed severe.

Our teams are currently active in the capital, Kigali, as well as in Byumba, Gisenyi, Kabagwi and Kibungu. They are caring for the sick and wounded and for thousands of displaced people of both Hutu and Tutsi origin, in accordance with Red Cross principles of neutrality and impartiality. There are some encouraging signs that renewed guarantees of safe passage and promises to respect displaced minority groups will soon improve conditions.

The work of Rwandan and expatriate staff has generally been facilitated both in Rwanda and in neighboring states. Inside the country, the overwhelming majority of civilians and combatants have respected the Red Cross emblem and have not interfered with our work.

The few staff of the United Nations Mission in Rwanda still in the country have been helpful, providing vital assistance to Rwandans, helping Red Cross staff to cross the front line in Kigali and assisting with the evacuation of nonessential foreign staff.

The governments of Burundi, Tanzania, Uganda and Zaire have been, with a few local exceptions, very cooperative, permitting Red Cross convoys and medical and survey teams to pass into Rwanda.

But the magnitude of the tragedy has far outstripped the attention given to it by governments and media outside of Africa. The press, particularly in Western countries, has concentrated on developments in other parts of the world. The International Committee has undertaken to highlight this flagrant shortcoming through diplomatic channels.

The ICRC wants to emphasize that all states concerned have a responsibility to act swiftly in order to end the massacres. In our view, the situation in Rwanda represents a direct threat to the region's peace and security and should be considered as such by the international community.

Abandoning the Rwandan people to their fate would set a dangerous precedent, indicating that the international community tolerates indiscriminate warfare, killing and intolerance of minority groups.

The presence of the United Nations mission in Kigali is essential to maintaining diplomatic efforts to restore peace. The Red Cross presence, and any increase in the delegation's ability to assist the victims, provide a ray of hope in a bleak situation.

It should be remembered, however, that the

By Cornelio Sommaruga

The writer is president of the International Committee of the Red Cross.

what they can to alleviate the suffering in very difficult conditions. The constraints on our delegates are indeed severe.

Our teams are currently active in the capital, Kigali, as well as in Byumba, Gisenyi, Kabagwi and Kibungu. They are caring for the sick and wounded and for thousands of displaced people of both Hutu and Tutsi origin, in accordance with Red Cross principles of neutrality and impartiality. There are some encouraging signs that renewed guarantees of safe passage and promises to respect displaced minority groups will soon improve conditions.

The work of Rwandan and expatriate staff has generally been facilitated both in Rwanda and in neighboring states. Inside the country, the overwhelming majority of civilians and combatants have respected the Red Cross emblem and have not interfered with our work.

The few staff of the United Nations Mission in Rwanda still in the country have been helpful, providing vital assistance to Rwandans, helping Red Cross staff to cross the front line in Kigali and assisting with the evacuation of nonessential foreign staff.

The governments of Burundi, Tanzania,

Uganda and Zaire have been, with a few local exceptions, very cooperative, permitting Red Cross convoys and medical and survey teams to pass into Rwanda.

But the magnitude of the tragedy has far outstripped the attention given to it by governments and media outside of Africa. The press, particularly in Western countries, has concentrated on developments in other parts of the world. The International Committee has undertaken to highlight this flagrant shortcoming through diplomatic channels.

The ICRC wants to emphasize that all states concerned have a responsibility to act swiftly in order to end the massacres. In our view, the situation in Rwanda represents a direct threat to the region's peace and security and should be considered as such by the international community.

Abandoning the Rwandan people to their fate would set a dangerous precedent, indicating that the international community tolerates indiscriminate warfare, killing and intolerance of minority groups.

The presence of the United Nations mission in Kigali is essential to maintaining diplomatic efforts to restore peace. The Red Cross presence, and any increase in the delegation's ability to assist the victims, provide a ray of hope in a bleak situation.

It should be remembered, however, that the

present work of the United Nations mission on the one side and the Red Cross on the other is not enough to end the violence.

The UN Security Council statement of 30, which called for a ban on the arms trade to Rwanda, is a timely step in the right direction, but far too little, too late. In its statement, the Security Council urged member states "to consider the necessary measures to prevent the flow of arms into Rwanda."

An arms embargo alone will have little effect, as the country has been the theater of civil war for more than two decades. There is no shortage of weapons. More decisive measures are urgently required. Events in Rwanda have been used by extremists in the developed world to build the foundations of cooperation with African states threatened by social unrest. Such a policy of isolationism, inhuman and wrongheaded, condemns the peoples of such states to a tragedy such as that taking place in Rwanda.

Other states—rich and poor, in Africa elsewhere—face political and ethnic tensions to varying degrees. To use an enormous tragedy such as that taking place in Rwanda to condemn the peoples of such states to a tragedy such as that taking place in Rwanda is hardly constructive. The international community's role is to guide, to tip the balance in such situations in favor of universally accepted values, such as solidarity, respect for human rights, and peaceful coexistence.

International Herald Tribune

Stop the Serbs With Air Strikes and Arms for Their Adversaries

By Margaret Thatcher

The writer was British prime minister from 1979 to 1990.

NEW YORK—We have been here so many times before in the Balkan saga: acts of barbarism by the Serbs, the mobilization of a shocked international conscience, threats of air strikes—or actual air strikes, of the most limited kind—or a tactical Serbian withdrawal, more talks aimed at persuading the warring parties to accept a carving up of territory that rewards aggression.

Then the Serbs move on to yet another Bosnian community, applying the same mixture of violence and intimidation to secure their aim of an ethnically pure Greater Serbia.

The tragedy of Gorazde may for now at least be over. But there are other towns of equal strategic interest on which the Serbs are now free to concentrate their forces.

This week the United Nations intervened to head off a Serbian attempt to expand the Breko corridor in northern Bosnia, but such interventions merely divert Serbian aggression. It is time to halt it—late, but not too late. We have the justification, the interest and the means.

A sovereign state, recognized by the world community, is under attack from forces encouraged and supplied by another power. This is not a civil war but a war of aggression, planned and launched from outside Bosnia although using the Serbian minority within it.

The principle of self-defense precedes and underlies the United Nations Charter. The legitimate government of Bosnia has every right to call upon our assistance in defending its territory. That is ample justification for helping the victims of aggression.

And both the United States and Europe have real and important strategic interests in Bosnia. Let me note four of them.

First, after all that the West, NATO and the United Nations have now said, the credibility of our international stance on every security issue from nuclear nonproliferation to the Middle East is now at stake.

Second, would-be aggressors are waiting to see how we deal with the Serbs. Our weakness in the Balkans would have dangerous and unpredictable consequences in the former Soviet Union, which has Slavic nationalist forces that closely parallel those of Greater Serbianism. And throughout Eastern and Central Eu-

rope there are minorities that aggressive mother-states might be tempted to manipulate to provoke conflict, if that is allowed to pay in the case of Serbia.

Third, Serbia's own ambitions are by no means necessarily limited to Croatia and Bosnia. Kosovo is a powder keg. Macedonia is fragile. Bulgaria, Hungary, Greece, Albania and Turkey all have strong interests that could drag them into a new Balkan war if Serbian aggression and oppression continue unchecked.

Fourth, the floods of refugees that would cross Europe—particularly in the event of

such a wider conflict—would further inflame extremist tendencies and undermine the stability of Western governments.

The West has the means—the technology and the weapons—to change the balance of military advantage against the aggressor in Bosnia.

Since the start of the Serbian war of aggression, which began in the summer of 1991 in Slovenia, intensified in Croatia and is now consuming Bosnia, I have opposed the sending of ground troops to the former Yugoslavia. But I have said that humanitarian aid without a military response is a misguided policy. Feeding or evacuating the victims rather than helping them resist aggression makes us accomplices as much as good Samaritans. So I have consistently called for action of two sorts:

• Launching air strikes against Serbian forces, communications centers and ammunition dumps, and lifting the arms embargo on Bosnia and Croatia so that the Muslims and Croats can defend themselves on more equal terms against the Serbs, who inherited the massive armaments of the Yugoslav army.

If I first proposed it in a New York Times article in the summer of 1991, at a time when Sarajevo and Gorazde were under serious assault, thousands of people would now be alive and in all probability the Milosevic regime in Belgrade would have fallen.

Because this approach was not adopted, we now find ourselves in a far more complex and dangerous situation.

We are trying to defend almost indefensible safe havens. We are maintaining a facade of neutrality when all our decisions are based on the knowledge that the Serbs are the threat, and with a large contingent of UN personnel whom the Serbs may choose to use as hostages.

The new joint effort by Russia and the West to persuade the Serbs to settle for 49 percent of Bosnian territory—down from the 72 percent they have now occupied—is hardly less life with danger. The Serbs will almost certainly not withdraw, and once the guns are quiet, the Russians may not wish them to do so—nor may the West be prepared to revive the threat of bombing to force them.

Even if they were to withdraw, their 49 percent of Bosnia would still represent a reward for aggression.

And in either event, the ensuing peace would be an unjust and fragile one requiring a large contingent of Western— including U.S.—ground troops to enforce it on the victims. If hostilities resume, as is all too likely, these troops would become the target for attack.

So the formula of air strikes and lifting the arms embargo is still the right one to apply. NATO already has the mandate from the UN Security Council not just to defend UN personnel but to deter attacks on the safe havens. This mandate gives full authority for the requisite launching of repeated large-scale

air strikes against Serbian military targets wherever these may prove effective. The matter for consideration whether the Serbs should go into Serbia itself.

Air strikes are effective, as long as they are not on a small scale, hedged with political hesitations and qualifications. They can have severe and ultimately inescapable effects. But they have to be part of a clear strategy to shift the advantage against the aggressor.

The Serbs must know that they will be caught in a web of weakness and determination. Nor may Russian objections be allowed to stand in their way. If the Russian government is to support such action, all well and good, NATO cannot have its policies easily undermined by Russian sensibilities.

Lifting the arms embargo, as Secretary John Dole and Joseph Biden have courageously proposed (the Senate is to take up the measure this Thursday), is also crucial.

That embargo was imposed before Bosnia and Croatia were internationally recognized, and its legal standing is at least questionable. The United States, Britain and France—or, if necessary, the United States acting alone—should formally state that they do not intend to continue with it. Such statements might also be supported by a resolution of the UN General Assembly.

The confederation between Bosnia and Croatia, so skillfully brokered by the United States, now means that supplies of arms will be sent against the common aggressor, not against each other, and that they can easily be shipped through Croatia. A well-armed Muslim-Croatian alliance would confront the Serbs with a quite new and unwelcome challenge. It might even prompt the Serbs to settle.

I do not claim that this approach is without dangers. It would require diplomatic and military skills of a high order. It is unlikely to bring immediate peace—although it might. Some disruption of the aid effort is inevitable.

But what the people of Bosnia now need is a permanent peace that allows them to return to their homes and live without fear. What the West needs is to restore its reputation as a secure its interests. This is the only way that aims can be realized.

The New York Times.

You Can't Have It Both Ways in Bosnia

By William Pfaff

PARIS—Bosnian Serb forces, blocked at Gorazde by NATO, are moving northward toward the town of Breko, commanding the narrow corridor linking the two main areas in Bosnia held by the Serbs. It is under threat of a Bosnian government offensive, and France proposes that it be made still another UN-NATO protected zone.

The Serbs thus could benefit from the international protection that has done so much for the Muslims of Gorazde and Tuzla, and the Bosnians in Sarajevo—a proposal the Serbs will find cold comfort. The French want to head off what could, in strategic terms, be the most important battle yet in the Yugoslav war.

However, it is a proposal that the United Nations and NATO are probably too feeble and too divided to carry out, even if they chose to try. The UN-proclaimed safe areas that already exist are largely undefended. The Serbs are taking back their heavy weapons from the United Nations at Sarajevo and re-infiltrating the area with relative impunity.

Profound disagreement continues among the Western powers about what to do, expressed again last week in the angry exchange between the United Nations' principal official in the former Yugoslavia, Yasushi Akashi, and the U.S. representative at the United Nations, Madeleine Albright. Mr. Akashi said, in effect, that if the United States wants to tell the United Nations how to run its affairs

the second one lacks commitment. The international military force in Yugoslavia is deployed and configured for the humanitarian mission. Its members consequently are vulnerable when the United Nations and NATO make their intermittent stabs at doing justice. When NATO air forces struck Serbian troops at Gorazde, the Serbs promptly arrested or sequestered UN soldiers and private relief workers, and some still are being held.

This contradiction is producing a breakdown in the UN military system in Bosnia, which is losing such tenuous influence as it ever had over the contending forces. It is a contradiction exploited by the Bosnian Serbs and also by the Bosnian government, which wants engagement by the United States and NATO on Bosnia's side.

There has to be a decision, first of all in Washington. There are two possibilities. One is to say that justice must be done, and therefore that the Bosnian victims of aggression must be armed—or at least allowed to arm themselves, which the UN embargo presently forbids—and supported in their effort to eject Serbian forces from territories formerly occupied either by Muslim majorities or by mixed populations.

In that case the humanitarian mission must end and its personnel be pulled out. The United Nations cannot support one side in this way and expect to be treated as a neutral by the other side. The United States cannot support the Bosnians against the Serbs and abandon UN troops and civilians to take the consequences.

Earlier this year the French and British governments were considering withdrawal of their forces. This not only is still an option but could become a necessity. Washington should understand this, and so should the Bosnian government authorities. It will probably happen if the United States supports the Bosnians.

The alternative course is the policy now followed by the European members of the UN Security Council. It searches for settlement at the price of rewarding aggression and doing injustice to the Bosnians. The Bosnians are expected to settle for what they currently can get, which is a territorial division roughly on present lines, in exchange for an armistice, policed by international forces. (The United States has agreed to take part.)

The problem with this is that it is both unjust and implausible. Even if such an agreement were signed, neither side is likely to respect it.

The Serbs, determined to consolidate a Greater Serbia, have already demonstrated their contempt for international agreements. The Bosnians, both officially and unofficially, say they will never give up the strug-



Bill Chamberlain

gle to recover what they have lost.

In the end there may be no real choice. The only real settlement may be the one arrived at through war. The international community may simply have to get out of the way.

The Western powers may have

only the choice between backing the Bosnians or abandoning them—and everyone else in the former Yugoslavia—to whatever fate they make for themselves.

International Herald Tribune

© Los Angeles Times Syndicate

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Fight Against Vice

PARIS—M. Berenger, the French Senator who has become famous for his crusade against vice and immorality in Paris, yesterday at the Porte de Chancery, and already quite a respectable quantity of material, so found its way from the top of the wall into the moat below.

The Soviet warning, broadcast by the Moscow radio, was regarded here as a last minute effort on the eve of the next Russian offensive, and possibly the invasion of western Europe, to break up Germany's elite forces in eastern Europe.

1919: Defortifying Paris

PARIS—A number of Paris Municipal Councilors will witness this morning [May 5] the removal of the

1944: A Soviet Warning

LONDON—[From our New York edition:] Russia today [May 5] warned Germany's shaky satellites, Finland, Romania, Hungary and Bulgaria, they must turn and fight the Germans as a demonstration of their faith in the Allies and to save themselves from further destruction. The Soviet warning, broadcast by the Moscow radio, was regarded here as a last minute effort on the eve of the next Russian offensive, and possibly the invasion of western Europe, to break up Germany's elite forces in eastern Europe.

International Herald Tribune
ESTABLISHED 1865
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairman
RICHARD MCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President
WALTER WELLS, News Editor • SAMUEL A. KATZ, Managing Editor
CHARLES MITCHELLMORE, Deputy Editor • CARL GEWIRTZ, Associate Editor
ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
RENE BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director
JUANITA CASPARI, International Development Director • ROBERT FARRER, Circulation Director, Europe
Directeur de la Publication: Richard D. Simmons
Directeur Adjoint de la Publication: Katharine P. Darrow
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00 Fax: 46.37.06.51 Adv.: 46.37.52.12 Internet: IHT@eurcom.fr
Editor for Asia: Michael Richardson, 5 Camerbury Rd., Singapore 0511. Tel. (65) 472-7705 Fax: (65) 274-2334
Mng. Dir. Asia: Rob D. McQuinn, 50 Gloucester Rd., Hong Kong. Tel. (852) 9222-1188 Fax: (852) 9222-1190
Gen. Mgr. Germany: T. Schuler, Friedrichstr. 11, 10117 Berlin. Tel. (49) 30 72 67 35 Fax: (49) 30 72 73 10
Pres. U.S.: Michael Gorm, 835 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3800 Fax: (212) 752-3870
U.K. Advertising Office: 63 Lane Ave., London W.C2. Tel. (071) 836-7252 Fax: (071) 836-7254
S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61377
© 1994 International Herald Tribune. All rights reserved. ISSN: 0244-0052

كذلك الامل

OPINION

Advice to Clinton: The Less Said...

By E. J. Dionne Jr.

WASHINGTON — The United States is at peace and faces no immediate, credible military threat. Russia is a little cooler toward the United States than it was, but is hardly an enemy and has so far avoided the catastrophes many predicted. Peace talks in the Middle East inch forward, and apartheid is dead in South Africa. In world trade talks, the United States has gotten a lot of what it wanted and the trading system remains broadly open under very difficult circumstances.

And President Bill Clinton's foreign policy is rated a failure. He is being sharply criticized not just by political opponents and foreign policy specialists but by the American people. A Gallup Poll last week, for example, found that the proportion of respondents rating Mr. Clinton as "an effective world leader" had tumbled 9 points since January, to 41 percent. Fully 55 percent of Americans say that Mr. Clinton is not an effective world leader.

More than perceptions are involved here. Mr. Clinton's problems in foreign policy are rooted in the fact that many of his strongest foreign policy statements during the 1992 campaign do not square with what he was actually willing to do in office. He has not been able to bring current events into line with past words. His efforts to use more words to rationalize the two have made matters worse.

The point of Mr. Clinton's campaign foreign policy was to make sure foreign policy would not become an issue at all, since he knew that he could beat Mr. Bush on domestic issues. Because Democrats suffered in presidential elections when they were successfully branded as "weak," Mr. Clinton had to look strong. Because they were often accused of being "isolationist," he had to look internationalist. Because Democrats were said to be afraid of using military power, he had to show he would carry a big stick.

So he embraced huge chunks of Mr. Bush's foreign policy — the popular parts like victory in the Gulf War — and positioned himself to Mr. Bush's activist side on a handful of key issues.

Mr. Clinton criticized Mr. Bush for turning back Haitian refugees and promised to help bring democracy back to Jean-Bertrand Aristide's country. On Bosnia, Mr. Clinton was careful to talk about his fear of a "quagmire," words he now relies on as proof that he never promised substantial U.S. intervention. But Mr. Clinton's listeners during the campaign could be forgiven for getting a different impression. He spoke in 1992 of "doing whatever it takes to stop the slaughter of civilians" and insisted that "we cannot afford to ignore what appears to be a deliberate and systematic extermination of human beings based on their ethnic origin." He attacked Mr. Bush for giving "short shrift to the yearnings of those seeking freedom in Slovenia, Croatia

and Bosnia" and for ignoring "the warning signs" that the Serbian leader Slobodan Milosevic "was emerging as one of Europe's bloodiest tyrants."

On China, he said that Mr. Bush had "failed to stand up for our values" and pledged "to link China's trading privileges to its human rights record."

There was nothing particularly wrong with Mr. Clinton's campaign foreign policy. But his promise of activism abroad was bound to clash with his pledge to devote himself overwhelmingly to domestic policy — which is what he was elected to do. Once in office, Mr. Clinton was unwilling to take the risks that his bolder campaign pronouncements implied.

His pledge to let in the Haitian refugees went by the boards even before he became president. On other issues, Mr. Clinton tried to talk his way around his difficulties. That was a big mistake. In domestic policy, words can be a soothing balm and ease divisions. In foreign policy, words are incendiary. They amount to commitments or threats which, when not acted upon, bring only grief to the one who speaks them and render future declarations suspect.

On Bosnia, Mr. Clinton wanted to keep the moral high ground by speaking against Serbian aggression and promising more help to the Muslims. In practice, Mr. Clinton showed that he was willing to back off and use European reluctance to escalate as an excuse. In Haiti, Mr. Clinton sent troops steaming toward the island to back his strong words on behalf of

democracy, then pulled them back when a small mob gathered on the shore.

Mr. Clinton's defenders are not without arguments to make. On many big things — Russia and the Middle East — Mr. Clinton has done reasonably well. He is far from alone in having trouble coming up with clear policies for a muddy post-Cold War world. Mr. Bush's policy toward the former Yugoslavia was a failure; the Europeans have little to be proud of there, either. And it is easier for critics to clamor for intervention in any one place — say, Bosnia or Haiti — than for a president to adjudicate among all the conflicting demands for the use of American force, and then make the case for intervention to a country that mostly prefers to stay home.

But the sheer difficulties of the choices Mr. Clinton faces are not an excuse for compounding them with ill-considered pledges he cannot keep.

Characteristically, Mr. Clinton tried to improve his foreign policy standing on Tuesday with a "global news conference." Words, again. He admitted that he has had to "back and fill" at times, but argued that his foreign policy troubles stemmed from his willingness to deal with "very difficult issues which do not have an easy solution."

True enough. But Mr. Clinton's successes would loom larger — and the need to "back and fill" would be less pressing — if he had not repeatedly raised and then lowered expectations for action in those spheres of foreign policy where both he and his country are ambivalent about what to do.

The Washington Post.

When Victims Boast of Their Victimhood the Better to Victimize

By Flora Lewis

NEW YORK — The principle of making sure that long-repressed minorities need no longer suffer discrimination has been established now that, as can happen to good principles, it has become subject to perversion.

This comes not only in the jaw-breaking locutions of "politically correct" speech and the condescensions of "multicultural" aesthetics, but in the

The damage to relations between blacks and Jews is a serious loss for the comity of American society.

new American exaltation of the status of victim. Victimhood, even by association with bygone victims, confers a claim to the privilege of breaking the very rules against discrimination and bigotry that were meant to wipe it out.

It has shuffled categories in a mindless way. Minorities ain't what they used to be. In order to demonstrate compliance with civil rights laws and social standards, employers again ask questions that had been forbidden in the interest of fairness.

Thus, U.S. government departments and big companies list minority workers. The forms provide for noting whether a person is black, Hispanic, Asian, Native American. Even women rank as a minority. Jews do not.

Everybody knows, but nobody seems to notice, that Jews have become honorary WASPs, the out-of-fashion acronym for White Anglo-Saxon Protestants presumed to be the dominating majority. I pointed this out to an editor who snorted. "There was never any affirmative action for Jews."

That is true. There wasn't any affirmative action for anybody until a little over a generation ago. But there were quotas, quotas not intended to assure opportunity but to set a limit beyond which was exclusion. Harvard, Princeton, Yale, all the "best" schools had them. And there were bans — clubs and companies that would not take Jews as they would not take blacks and women. This has been overcome. But it has not ended Jew-baiting: it has simply changed who presumes the right to indulge in it. It is a peculiar, and ugly, evolution. The most notorious example is the vicious ranting

of Khalid Abdul Muhammad, who speaks to college audiences for the Nation of Islam. The worst is not just his open incitement to hate and violence, but the enthusiastic cheers and applause he elicits from large black audiences.

He has made himself a celebrity in this way, sought after and well paid. The Canadian government recently denied him entry to the country for speaking engagements at the University of Toronto on the ground that he could be expected to violate Canadian laws against hate-crime. That is his stock in trade.

His success reflects, however, a much more widespread degradation in the relations between American black and Jewish communities, which used to cooperate in the fight against discrimination. That is a serious loss for the comity of American society.

There are more subtle perversions in the practice of who qualifies for the compensating benefits of victimhood, thereby establishing that employers are observing anti-discrimination rules. People cannot be compelled to answer the questionnaires, so the forms instruct the personnel officer to go by "visual evidence" if they refuse to say. Of course, there are borderline cases, people of mixed origin, people who do not choose to be

categorized. When that happens, I was told by representatives of the government and of a big private company, the rule of thumb is to take the person's word for his or her status.

But it only works in one direction. Self-promotion of the minority into the vague ostensible majority. I happen to know, because my son provided an example of the barrier against the other way. Because he was born in Mexico and anyway chafed at the questionnaire, he mischievously put down Mexican-American when he had to fill out a form.

He was severely reprimanded and punished for quite a long time by his employer. His idea of wit, he was told, risked undermining the whole reporting system and showed irresponsibility.

It is a strength of America that people can be proud of their diverse ancestry and of being American at the same time. Half a century after the United States refused to admit more than a small number of European Jews to save them from the Holocaust, it is a credit that those who live in America have now become so fully accepted. But there is a new kind of shame in the habit of making victimhood something to boast about with the privilege of victimizing.

Flora Lewis.

LETTERS TO THE EDITOR

Nixon: Hero and Villain

Regarding "Someone Tell the Villains: He Was Chosen President" (Opinion, May 3) by Anthony Lewis:

Mr. Lewis, in first, deifying personal attacks upon President Bill Clinton and then gratuitously accusing President Richard Nixon of "engaging in tactics of smear" and "injecting bile into public life," is practicing a virulent form of that which he preaches against.

By attempting to categorize all those who attack the president and his wife on other than policy grounds as "bigots," "rumor peddlers," and "verging on clinical hysteria," he also smears citizens who would hold any occupier of the White House to reasonable standards of fidelity, veracity and integrity. There is an argument that the private lives of political leaders should not be taken into account when judging them. But such an argument is the very stuff of sophistry.

JOHN W. WOOD, London.

The writer is international vice chairman of Republicans Abroad.

Richard Nixon's "Southern strategy" institutionalized the Republican Party's embrace of the Southern segregationist under the banner of states rights. His law-and-order theme, directed at the shamefaced racism of the Northern suburbanite, made a (deniable) racist subtext respectable in national campaigns. Even if President Nixon's administrations were "remarkably liberal," his un-

scrupulous and irresponsible political tactics permanently undermined the credibility of the country's leadership along the most serious fault line of national life. So while I do not advocate speaking ill of the dead, I cannot pretend that Mr. Nixon's political legacy is worthy of the respectful silence with which we usually pass over statesman's failings.

TRACY ELLIS, Paris.

William Safire is certainly right ("How to Sum Up Nixon? An Inspiring Resilience," April 26): Richard Nixon does deserve an epithet. "He was always explaining something" might do, but "he made racism respectable again" might do better. It was Mr. Nixon's Southern strategy, after all, that made appeals to fear and hatred — what we now know as Willy Hortonism — an apparently permanent part of the Republican campaign arsenal. Mr. Safire should know; he was there.

ARTHUR LINDLEY, Singapore.

Regarding "Nixon's 'Peace' Strategy Had a Heavy Price in Blood" (Opinion, April 30) by Neil Sheehan:

Thank you, Mr. Sheehan, for setting the record straight. I was beginning to doubt my own memory about Richard Nixon after the plethora of eulogies. This was a great president? This man whose entire political life was geared to the furthering of his own career at whatever cost? If a Japanese politician had so

dishonored himself and his country, he would have committed hara-kiri. Still, after all the platitudinous tributes and falsifications of the past days, I have to admire Mr. Nixon for managing to bamboozle the public again, to perfect an image as Nixon the sufferer, Nixon the comeback kid, Nixon the international sage. That he should try to do so was normal; that he succeeded was a disgrace — our disgrace this time.

ROBERT SCHOLTEN, Paris.

Should we now forgive and forget? No! To do so is to invite a repeat of history. Nor should we allow William Safire to rewrite history, making Mr. Nixon into some kind of beloved father figure. He wasn't. He came closer to destroying American freedoms than any other force in modern history. That is the true legacy of Richard Nixon.

JOHN ALLAN, Himeji, Japan.

In 1975, I was a student at the University of California at Los Angeles. It was not long after the Watergate affair and the resignation of President Richard Nixon. I felt so sad for him.

Although I was only a young student from Thailand, I wanted humbly to show him he was thought of in a special way. I wrote him a letter, asking whether I might come visit. Three weeks later I received an invitation to San Clemente. May 9, 1975, was a warm and dry day.

I arrived at the "Western White House" half an hour early and was escorted to Mr. Nixon's office by the U.S. Coast Guard Service, which continued to protect the premises.

I entered the secretary's office and suddenly Mr. Nixon walked in and greeted me. He invited me into his office. He made me feel very much at ease, almost as if I were visiting an uncle. We sat and talked for an hour and 15 minutes. One of the first things he said to me was that "life is nothing without challenges." He emphasized that one should always stand out in life and must "never blend into the walls."

He told me how nervous he had felt before he first visited Leonid Brezhnev in the Kremlin; he had not slept well the night before. In a lighter moment, he told me he had visited 101 countries. I told him I had only been to 72.

We took pictures together and then went for a walk near the shining Pacific. It was a day I shall forever remember. Now that he is gone, I feel an important sense of loss. He experienced the greatest victory, and then an equally great sense of pain. What remained with him throughout 81 years was his incredible inner strength. He was a person with a warm and caring heart.

KANTATHI SUPHAMONGKHON, Bangkok.

The writer is director of the policy and planning division of the Thailand Ministry of Foreign Affairs.

About the Ambassador

Regarding "Pamela Harriman Biographer Focuses on Famous Men in Her Life" (April 28) by Harsha Sherril:

It astounds and saddens me that a serious newspaper would give front-page space to what at best is a bad book review. The tabloid treatment given this non-story is offensive and disappointing. Pamela Harriman has proven herself an able ambassador and should be given the respect that the International Herald Tribune normally gives people of her stature.

PHYLLIS MORGAN, Paris.

The first time I saw Pamela Harriman, the U.S. ambassador to France, I wanted to form my own impression of a woman said to have lived the exciting sort of life that most only dream about. What I encountered then and the two other times I encountered her was a woman who not only fulfills her duties but gives far more time and energy than required by her job, a woman who by her presence, bearing and looks exudes class, grace and humor.

OLGA URRUTIA BRUNO, Paris.

One would expect to see an article like this in a supermarket tabloid, not on the front page of a well-respected, prestigious newspaper such as yours. Ambassador Harriman has proven

herself as a capable representative of the United States to France.

R. VIRTUE, Paris.

The Critic Got It Right

Regarding "A Food Critic Plays the 'Honesty' Card" (Features, April 25) by Christopher Petkanas:

The article takes the food critic Gilles Pudlowski to task for his "protectionist" and blinkered slamming of America, and says that it makes Mr. Pudlowski seem "small and silly." To thus insult Mr. Pudlowski, an acknowledged food critic, Mr. Petkanas must consider himself to be an even greater critic.

In fact, Mr. Pudlowski is not alone in his views. Almost everyone who lives in Europe finds American food disgusting.

JOHN MACRIS, London.

Mischievous Vandalism

Regarding "Another Canning by Singapore" (April 22) by Philip Sheehan:

The article quotes the allegation of an anonymous diplomat that Singapore practiced a double standard because the police had classified a case where a car was spray-painted as mischief instead of as vandalism, which carries a caning sentence. But in Singapore, it is standard police practice to initially classify an isolated incident in which private property is defaced by paint as mischief under the penal code. If related incidents later surface to show a pattern of indiscriminate

hooliganism, the police will reclassify the case as vandalism.

This happened both in the case involving Michael Fay and in the case highlighted by Mr. Sheehan.

S.B. BALACHANDRER, Singapore.

The writer is press secretary to the minister for home affairs.

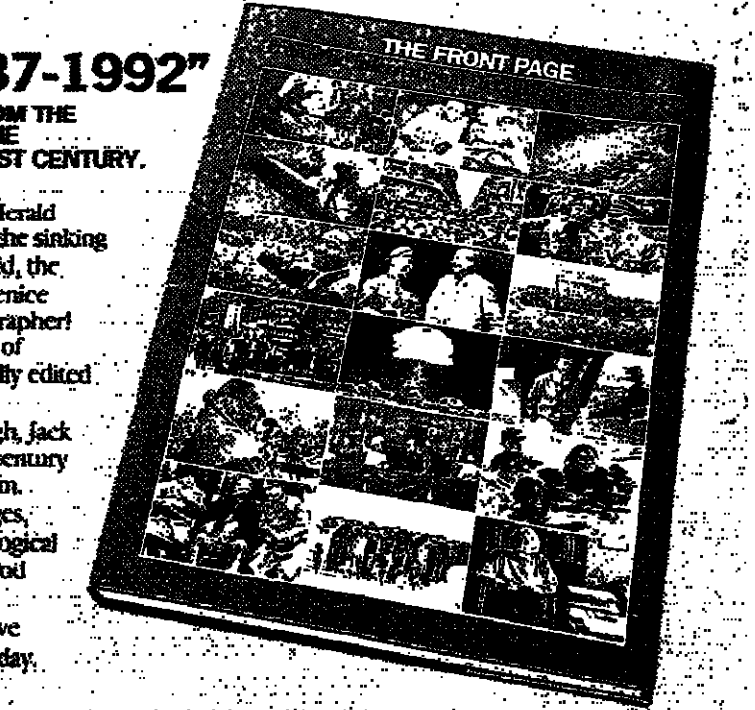
The Pain Is Quite Real

Regarding "Spare the Centipede, Please, for Suicide Is Not Painless" (Opinion, April 21) by Anna Quindlen:

When I was in my early twenties, I was highly motivated, in perfect health, and my pimples were going away. But every night I got into bed and prayed to a God I didn't believe in to let me die mercifully as I slept, so I wouldn't have to face another day of psychic agony. My father, in good faith, sent me to the family doctor, who told me my fears were "sophomoric" and advised me to stop drinking coffee late at night.

Finally, after two years, like a fog, the depression lifted. I still don't know what caused this black hole in my life. Fortunately, I never had the courage to try suicide. But anyone who has suffered from acute depression will tell you that there is no difference between the cancer patient who wishes to die because he is convinced the agony will never abate and the depressive who chooses suicide.

MARTIN AMADA, Roquebrune, France.



"THE FRONT PAGE 1887-1992"

A BOOK OF GREAT FRONT PAGES FROM THE INTERNATIONAL HERALD TRIBUNE REPORTING THE MAJOR EVENTS OF THE PAST CENTURY.

Reproductions of 150 front pages, many with Herald Tribune exclusive articles: like first-hand reports from the sinking Titanic, the Dreyfus trial, the 1961 failed coup in Madrid, the hurried departure of Marcos from Manila — and the Venice champagne caught in mid-collapse by a Tribune photographer! Follow coverage of the First World War by one of the few newspapers that stayed in Paris and was virtually edited at the front.

Read about people — Queen Victoria, Lindbergh, Jack the Ripper, the Windsors, Khomeini, Gorbachev — a century of news headlines and the events that surrounded them.

Hardcover, 27 x 57 cm (10.5 x 22.5 in), 168 pages, readable-size text. The book is divided into six chronological sections, each with an introduction describing the period from historical and journalistic viewpoints.

THE FRONT PAGE 1887-1992 is a distinctive personal or business gift. Order one — or several — today.

Herald Tribune

Return your order to International Herald Tribune Offers, 37 Lambton Road, London SW20 0LW, England.

For faster service, fax order to (44) 181 9448243

Please send me _____ copies of THE FRONT PAGE.

Price per copy: £39.95 (\$55), plus postage.

Europe: £4.80 per copy.

USA/Canada: £7.80.

Rest of world: £15.

Please allow up to three weeks for delivery

NAME (please print) _____

ADDRESS _____

CITY/CODE _____

COUNTRY _____

Payment by credit card only. Please charge to my credit card:

☐ Access ☐ Amex ☐ MasterCard ☐ Eurocard ☐ Diners ☐ Visa

Card No. _____ Expiry date: _____

Signature _____

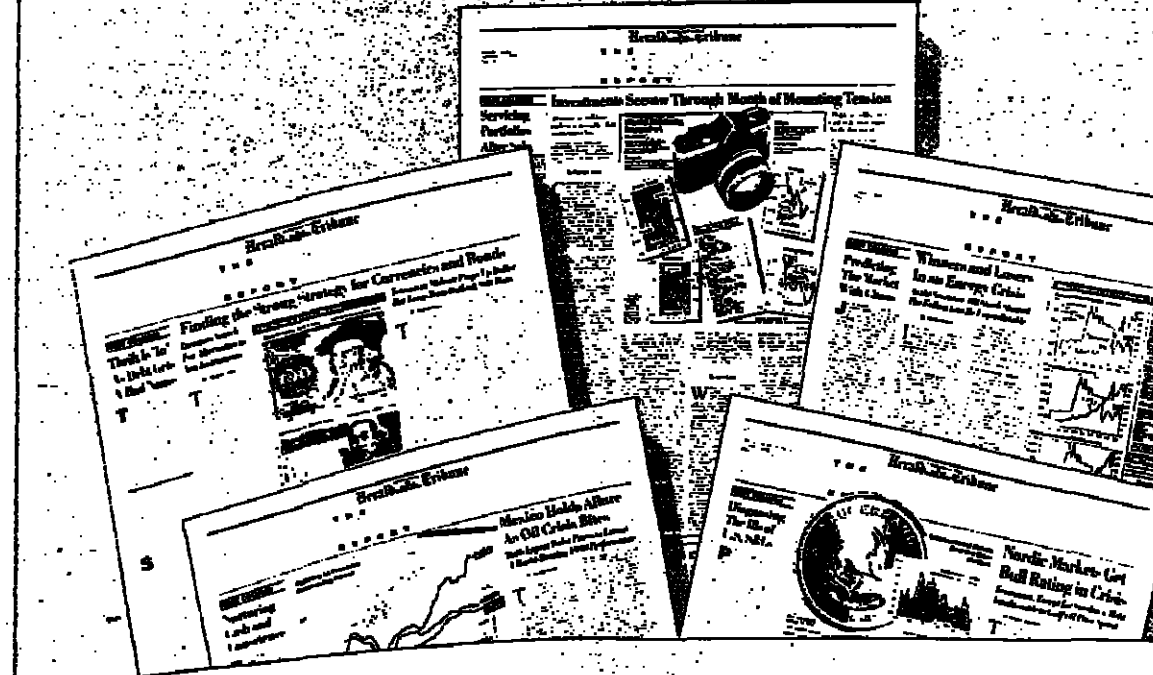
Company EEC VAT ID No. _____

For investment information, read

THE

REPORT

every Saturday in the IHT.



ge Ral

n appropri:

responsible age policy, view on the d counting p States was t s for the doll ves in float William McDx the Federal i w York, said ay. "You c oating excha nge rate large s said Tues that the G-7 v a floor under

t psychologics uld trigger a fr s the board, c i. That could ock and bo thing dollar- held by overs

gh said intern a currency is not constan d to commu st week's ful.

HEALTH/SCIENCE

Archiving Neck May Lead to Strokes

By Jane E. Brody
New York Times Service

NEW YORK — A year ago, a neurologist described five cases of serious neurological problems, including four strokes, in women aged 54 to 84 after shampoos in beauty parlors.

As is common practice when beauticians shampoo hair or neutralize a permanent wave, the women's heads were tipped back over the edge of the sink.

Now, after a year of detailed studies of blood flow to the brain, the neurologist, Dr. Michael Weintraub, believes that the risk of stroke and lesser forms of brain damage when the neck is arched or twisted in extreme positions is much greater than he had originally believed. The hazard, he says, is not limited to older people and extends well beyond those who visit beauty salons.

Also at risk are young people born with a hidden malformation of a main artery leading to the brain. Damage from extreme neck positions can affect them if they undergo prolonged dental work, paint ceilings or do other work over their heads, are subjected to extreme chiropractic manipulations of the neck or are fitted with a breathing tube in surgery.

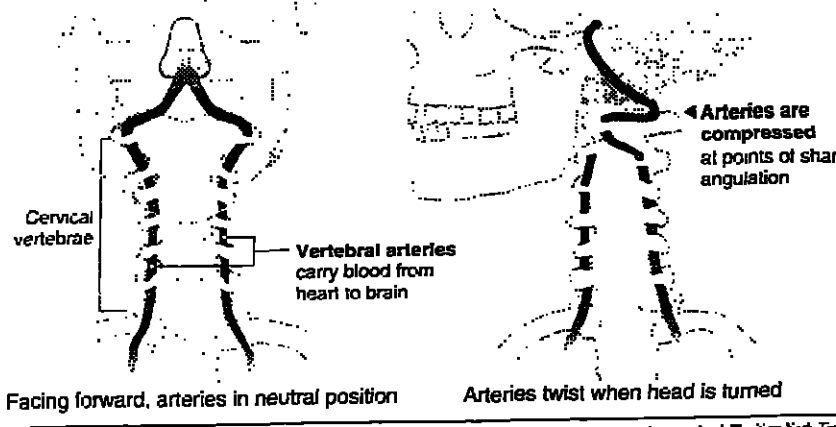
Each of these circumstances can place the neck in a position that greatly reduces blood flow through one or both of the vertebral arteries. Dr. Weintraub's studies have shown. The problem is especially likely to affect older people who have complicating factors like high blood pressure or diabetes, which make them more vulnerable to stroke.

When blood flow becomes sluggish, clots can form that are carried into the brain when normal blood flow is restored. These clots can block circulation to a part of the brain, causing a stroke. Dr. Weintraub suggested that this might account for the disproportionate occurrence of strokes during sleep or just after awakening.

In a report that was presented to the annual meeting of the American Academy of Neurology, Dr. Weintraub called for doctors and potential patients to be alert to the warning signs of interrupted vertebral circulation, like dizziness or loss of balance when the neck is bent. He is also warning the elderly and anyone who

Extreme Neck Position and Blood Flow

Vertebral arteries, which run through bony tunnels on either side of the cervical vertebrae, carry blood from the heart to the brain. Extreme positions that arch the neck backward or twist it sharply to the side compress the arteries, reducing blood flow, and can pose a risk of stroke for the elderly and people with certain malformations of the vertebrae.



Facing forward, arteries in neutral position. Arteries twist when head is turned. Source: Dr. Michael I. Weintraub. (Caption: Dr. Michael I. Weintraub)

already faces a higher than average risk of stroke to avoid extreme neck positions.

The two vertebral arteries carry oxygen-rich blood from the vessels leaving the heart up to the back of the brain — the brain stem, cerebellum and thalamus — as well as to parts of the spinal column. They are called vertebral arteries because where they rise through the neck they are housed in bony tunnels formed by projections from the sides of the cervical vertebrae. Together they are responsible for carrying 20 to 25 percent of the blood that reaches the brain.

Because the vertebral arteries are next to the bones of the neck, they are easily twisted and compressed when the neck is bent in extreme positions.

The elderly are especially at risk because with age all major arteries tend to become clogged with fatty deposits that reduce the passageway through which blood must flow. The elderly are also more likely to have arthritic changes in their necks and irregular bony spikes on their cervical vertebrae, both of which can increase

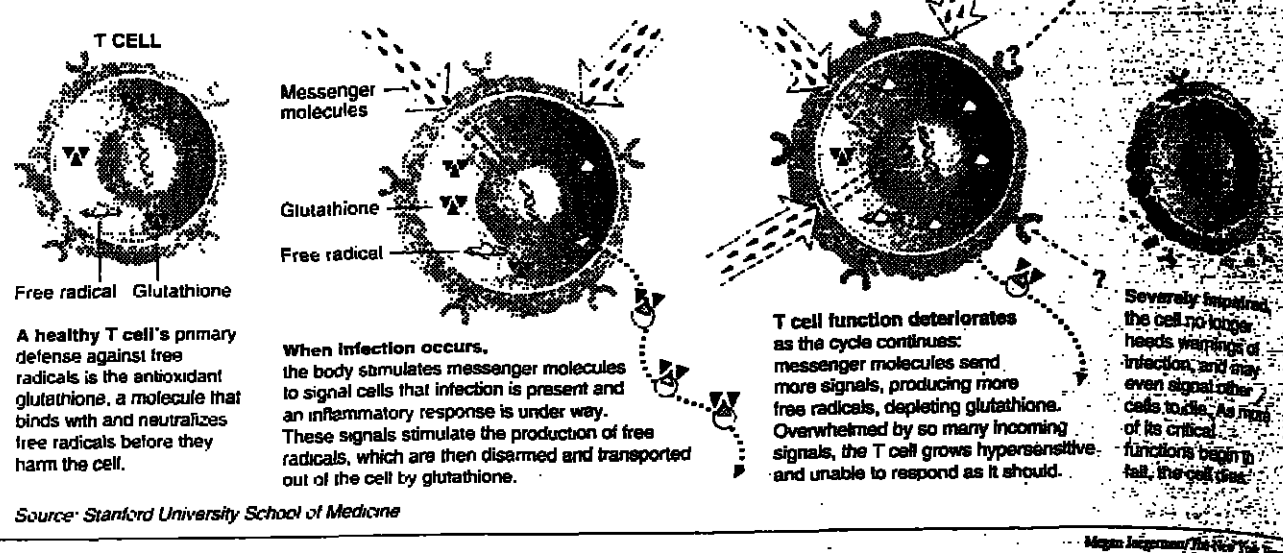
the risk of vertebral artery compression when their necks are turned in ways that caused no trouble in their younger years.

In last year's report in the April 28 issue of The Journal of the American Medical Association, Dr. Weintraub described the cases of the women who required hospitalization for severe neurological disturbances and stroke after shampoos in beauty parlors. He attributed the damage to "mechanical impingement" of blood flow through one or both vertebral arteries when, during the shampoos, their necks were arched back so that their chins pointed toward the ceiling.

Just a month before his report, 10 cases of stroke after anesthesia administered with the neck in an extreme position had been described in the journal Neurology. When anesthesiologists insert the tube that maintains lung function during surgery, they temporarily arch the neck far back to straighten out the airway. But sometimes the neck is kept in that position throughout the surgery, which could last for hours.

T Cell Dysfunction: A Theory of AIDS Progression

Free radicals — highly reactive oxygen-based molecules — are part of a cycle that may lead to the dysfunction or death of T cells, which help regulate the immune system. Researchers theorize that the body's normal inflammatory response to infection triggers a cycle that leads to T cell death.



Source: Stanford University School of Medicine. (Caption: Stanford University School of Medicine)

Why Do a Body's Defenses Fail?

By Natalie Angier
New York Times Service

NEW YORK — As the virus that causes AIDS slowly and brutally dismantles the body's immune system, it causes confounding turmoil at every node of the defense network. Some immune cells overreact to the infection, while others fail to respond when called.

The molecules called cytokines that normally control the body's battle plan, signaling the T cells, B cells, macrophages and antibodies when and where to strike, start to send all the wrong signals at the wrong times. The confusion is so great that scientists have just begun sorting out which defects in the immune system are central to the progression of AIDS and which are relatively minor disruptions.

Now researchers from the Stanford University School of Medicine propose that so-called oxidative stress may play a critical role in the gradual decay of the immune system: the damage wrought by too many dangerous oxygen molecules inside immune cells may disrupt the cells' performance and eventually cause them to die.

The researchers believe that an important feature of AIDS is a sharp drop in the body's concentration of glutathione, a major mechanism for absorbing excess oxygen and thus protecting against oxidative harm.

They also suggest that replenishing the body's stores of glutathione may help retard the progress of AIDS. A clinical trial is under way in San Francisco, testing the usefulness of a compound called N-acetylcysteine, or NAC, a

precursor from which glutathione is made, in blocking the malignant course of the human immunodeficiency virus.

Scientists caution, however, that it remains to be demonstrated that glutathione depletion is central to progression of AIDS, or that the compound will do any good against the disease at all. At its best, the researchers said, NAC would only slow the pace of immune deterioration, rather than act as a cure.

"We think the idea is promising, but we have to be cautious," said Dr. Samuel Broder, director of the National Cancer Institute, which is involved in the studies of glutathione depletion and its possible role in AIDS and cancer. "There are a lot of times when we think we know the answer, but then we're hit with a disappointment. We have to defer to the clinical trials process."

A NUMBER of scientists have studied glutathione deficiency and its relevance to AIDS, but Dr. Leonard A. Herzenberg and Dr. Leonard A. Herzenberg, a husband-wife team at Stanford, have been at the forefront of the investigations.

Reporting in the current issue of The Proceedings of the National Academy of Sciences, the Herzbergs, Dr. Frank J. Staal, Dr. Michael T. Anderson and their colleagues significantly expand on initial work in the area.

Going beyond the observation that AIDS patients display diminished levels of glutathione, the scientists offer new insights into how that depletion disturbs T cells and a model of why the protective compound begins declining. Glutathione is ordinarily abundant in all

cells of the body, taking up quite a bit of space in the cytoplasm, the cell's watery interior. It is one of the body's main antioxidant molecules, intended to mop up loose oxygen molecules, called free radicals, that are generated during ordinary metabolism, before the free radicals start poking holes in the genetic material, or fats of the cell. (Other: more powerful antioxidants include vitamins like A, C and E. Beyond its protective duties, glutathione plays a role in shuttling amino acids around the cytoplasm, synthesizing the stuff of new protein material, and other important tasks.)

In sum, the body needs glutathione to thrive and survive.

To see precisely how the loss of glutathione affects T-cell performance, the Stanford scientists isolated the cells from healthy individuals and used chemicals to lower the cells' stores of glutathione artificially. The results were striking.

With about 75 percent of the normal amount of glutathione, the cells failed to respond to signals that normally would stimulate them to divide into the potent clones needed to sugar against microbes.

At the same time, the manipulated T cells became inappropriately responsive to external signals. They grew hypersensitive to a signaling molecule called tumor necrosis factor, a cytokine that ordinarily is generated by the body as part of an inflammatory reaction, and that would not ordinarily arouse the activity of these T cells. Eventually, the confused, overstimulated T cells committed suicide, Dr. Leonard Herzenberg said, undergoing a process known as programmed cell death.

Male Hormone's Effect on Women

New York Times Service

NEW YORK — Try as humans may to appreciate life's complexities and half-tones, we often resort to dualism, dividing the world into conservatives and liberals, rich and poor, and, of course, men and women, with their complementary genitalia and their characteristic hormones. Men have androgens, most notably testosterone; women have estrogens.

"Androgen" comes from the Greek "maker of males," and "estrogen" signifies the maker of the estrus cycle, which regulates ovulation and menstruation, the essence of womanhood.

However, men and women each have a fair amount of the opposite sex's hormones in their blood. Scientists have long played down the implications of that hormonal kinship, especially when studying how testosterone and other androgens work in a woman's body.

They knew estrogen to be indispensable to the growth of all embryos, regardless of sex. By contrast, testosterone has been viewed as a luxury, needed mainly to shape a male's form and sexual function, and only vestigially and irreducibly present in women.

Now, with the explosion of interest in women's health issues generally, physicians and scientists from a broad cross section of disciplines have begun to consider the role of male hormones on the making of a female.

They are trying to determine how closely

testosterone is linked to a woman's sex drive, and whether the hormone is necessary to maintain female muscle mass and bone density into old age. These preliminary and often conflicting investigations have sharply divided physicians over the wisdom of giving postmenopausal women small doses of testosterone along with the estrogen-replacement therapy they may receive.

Doctors in Britain and Australia are much more likely to prescribe low-dose testosterone pellets or injections for women complaining of flagging libido and depression than are U.S. doctors, who are hesitant to begin treating women with a potent hormone that is linked to men's comparatively early death.

WITH even greater trepidation, some scientists are seeking to learn the extent to which androgens influence a woman's personality, energy levels, relative aggressiveness or assertiveness, and any other traits commonly described as masculine.

"The borders between classic maleness and femaleness are much grayer than people realized," said Dr. Robert Wild, professor and chief of the section on research and education in women's health at the University of Oklahoma Health Sciences Center, in Oklahoma City.

Men have between 300 and 900 nanograms of testosterone for every deciliter of blood,

much of it generated by the testes, but some originating in the adrenals, the small glands abutting the kidneys. (A nanogram is a billionth of a gram.)

In women, a high measurement of testosterone is 100 nanograms, but the average is around 40, said Dr. Geoffrey Redmond, president of the Foundation for Developmental Endocrinology and a physician at Mount Sinai Hospital in Cleveland. But the testosterone level varies significantly with the menstrual cycle, as do the more stereotypically female hormones, estrogen and progesterone.

The impact of fluctuating testosterone on the body is not clear. Researchers have a good idea of what testosterone does to males. During fetal development, it shapes the growth of the male genitalia and possibly influences brain circuitry. When a boy reaches puberty, androgen production in the testes swings into gear to sculpt the secondary sexual characteristics: the thickening of muscles and vocal cords, the widening of the shoulders, the growth of the penis and the beard.

In adolescent girls, testosterone also makes pubic and underarm hair grow. It could help their muscles and bones develop, although how it interacts with estrogen — which is known to be necessary for calcium absorption and bone strength — is unclear.

Natalie Angier

IN BRIEF

Getting in Sync With Sleep Cycles

WASHINGTON (WP) — Scientists have discovered that there is a biological-clock gene in mice, and therefore, probably in humans. And they have found that without that gene, the clock stops — leaving the rodents with no internal mechanism to tell them when to wake up and when to go to sleep.

It is said to be the first time a gene governing circadian rhythm has been indicated in a mammal.

Although the gene has not been found — only very strong evidence that it must exist — the discoverers lost no time in identifying great potential practical consequences. Joseph S. Takahashi, a neurobiologist at Northwestern University in Evanston, Illinois, said his group's finding could someday allow better treatment of human sleep disorders, jet-lag problems and certain types of seasonal depression.

Gene Mutation Yields Clue to Thrombosis

LONDON (Reuters) — Dutch researchers say they have found out why thrombosis tends to run in the family.

Writing in the scientific journal Nature, they said they had identified a single mutation in the gene responsible for producing the blood-clotting factor known as Factor V. The mutation means that the body's own anti-coagulant, activated protein C, which keeps the blood flowing freely, could not break Factor V down as usual. The research into thrombosis —

the formation of a blood clot in the vessels or heart — was carried out by Rogier Bertina and colleagues Leiden's University Hospital.

Microwave Effect in Oceans' Depths

LONDON (Reuters) — The oceans seem to be warming up, not as "greenhouse" theories predict but as if they were in a giant microwave oven, with waters midway between the surface and floor gaining heat fastest, scientists report in the journal Nature.

Britain's James Rennell center for ocean circulation concluded this from the results of a deep-ocean hydrographic section taken along the route Columbus sailed 502 years ago roughly from West Africa to Florida.

Harry Bryden, from the research center in Southampton, said that between 1957 and 1992, the temperature of the ocean 1,000 meters down rose by 0.32 degree centigrade to 4.5 degrees (about 40 degrees Fahrenheit).

A Botanist's Guide To Tropical Plants

NEW YORK (NYT) — The plant may be shrubby, but botanists are eagerly searching for it. Only one example is known, and it is in an area of Honduras where all the trees were cut down. So far no more have turned up.

The missing plant, *Haplophyllum hazlettii*, was one of the major discoveries made by botanists as they prepared a catalogue of the 11,000 plants of the rich tropical section southern Mexico to Panama. The first volume of the seven-volume work, "Flora Mesoamericana," is complete.

The plant, which has separate male and female flowers, was first collected at the base of the Cordillera Nombre de Dios along the north coast of Honduras. From the single specimen collected, botanists determined that it belonged to a new genus and species, but they are not sure whether it belongs to an existing family or should be placed in a new one.

BOOKS

COTE D'AZUR: Inventing the French Riviera

By Mary Blume. Illustrated. 208 pages. Paper. \$14.95 (£7.95 in U.K.). Thames and Hudson.

Reviewed by Angeline Goreau

PLACE is notoriously difficult to define; it evolves out of a complicated play of history and weather, character and accident, rarely standing still long enough for one to arrive at anything more than observation. The Côte d'Azur, however, as Mary Blume tells us, did not so much evolve as spring forth whole from the imagination of sun-starved northerners. Who saw it as a place of "escape" from winter's cold and social restraints: the place to get away from it all and, eventually, to get away with everything.

The raw material from which the Côte d'Azur was conjured was a narrow strip of seacoast, no more than 125 miles (200 kilometers) long, a brief but brilliantly illuminated interface between the Mediterranean and three mountain ranges. Before the railroad arrived, it was a virtually inaccessible collection of poverty-stricken villages whose common trait was suspicion of the world outside.

WHAT THEY'RE READING

• **Henri Chautat**, a blind professor of English, has been listening to "One Flew Over the Cuckoo's Nest," by Ken Kesey, borrowed on tape from the English Language Library for the Blind in Paris. "I'm not too fond of all these subtleties about life in a psychiatric hospital and all these thoughts and afterthoughts. I find it a bit too intricate for my way of thinking. But it's jolly well written." (Barry James, IHT)



The English were the first to seize upon the imaginative possibilities of this hard-to-reach place. Blume, a writer for the International Herald Tribune in Paris, tells us in "Côte d'Azur" that the first Englishman to see it was a place of "escape" from winter's cold and social restraints: the place to get away from it all and, eventually, to get away with everything.

The natives, suspicious by nature, initially greeted the invasion of their terrain with a certain wariness. In 1851, Alexandre Dumas was informed by a local innkeeper that his new guests were the English, but he was not sure whether they were German anglas or French. Wariness gave way to welcome, however, and before long Nice had established a chamber of commerce and hired Gustave Eiffel to design a thermometer showing exaggerated temperatures. "When the sun shines in Nice it is real sun," that city's boosters announced. "Not the big round Dutch

cheese one sees elsewhere at this time of year." Casinos at Monte Carlo and Nice competed viciously. The Niois made their business to stir up ugly rumors about the many victims who had taken their lives after losing fortunes at Monte Carlo's gaming tables. "The suicides are carefully wrapped, put in cases and sent out of the principality by ordinary mail," a newspaper in Nice reported.

By the latter part of the century, the Côte d'Azur had become, as Somerset Maugham put it, "a sunny place for shady people." Among them were famous courtiers like Liane de Pougy and La Belle Otero, who numbered among her lovers King Edward VII, Czar Nicholas II of Russia, King Alfonso XIII of Spain, Reza Shah, William K. Vanderbilt and Leopold II, King of the Belgians (who took daily swims at Cap Ferrat with his white beard tucked into a rubber envelope).

But, as Blume astutely points out, "the climate of *monde* and *démocratie* required a strict new code of conduct." Henry James's fictional American in "The Ambassadors," Lambert Strether, learns that one might bring a woman of dubious character to race Nice, but not to the aristocratic Cannes.

In the 1920s, America discovered

the Côte d'Azur and reinvented *jolie de vivre*. "The Americans," Blume recounts, "came with their swinging gait, their jazz records... their way of making the impossible look easy, and above all the briefly contagious national mood of expectation, the belief, in F. Scott Fitzgerald's words, 'that there were gay, exciting things hovering in the next hour.'"

Gerald and Sara Murphy, on whom Fitzgerald based characters in "Tender Is the Night," visited Cole Porter one summer and decided to stay. Until this time, the Riviera had been a strictly winter affair. But now the shore became beach, and the craze for sunbathing was unleashed.

The Côte d'Azur's idyll, as all dreams do, eventually came to an end, the exquisite natural beauty eventually spoiled by crowds and freeways, corruption and overbuilding. In the end, the Riviera devoured itself.

Mary Blume, in her highly entertaining and wonderfully illustrated account, has given us a definition more ambitious than most of a small place that has for a long time played a large part in our dreams of flight. I still see blue skies and bougainvillea when I hear the name.

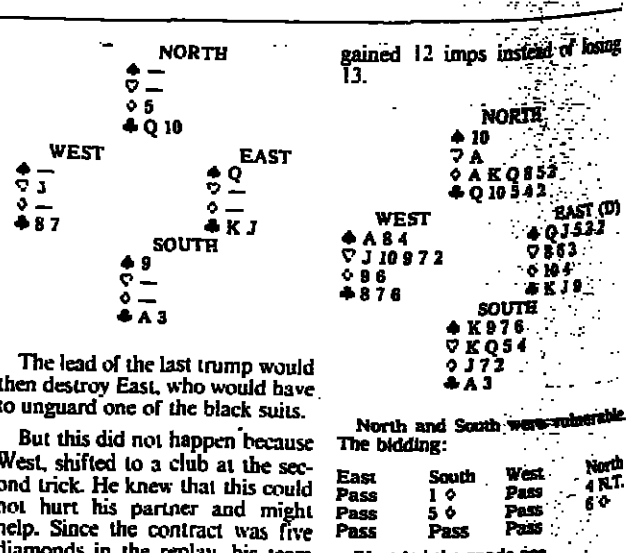
Angeline Goreau, a literary critic and travel writer, wrote this for The New York Times Book Review.

BRIDGE

By Alan Truscott
ON the diagrammed deal West heard his opponents charge into six diamonds.

The audience and commentators saw that the slam would easily make after any lead but the spade ace: South would quickly maneuver a discard of dummy's spade singleton on a heart winner.

West did lead the spade ace, and faced the second stage of the problem. Looking at 52 cards on the screen, the audience realized that East was in grave danger of being squeezed. Suppose a passive play of a heart at the second trick. The declarer would then draw three rounds of trumps ending in his hand, cash his three major-suit winners and ruff a spade. Another diamond lead could produce this ending with the lead in dummy:



CALLING ONE FOREIGN COUNTRY FROM ANOTHER IS NO SECRET WITH THESE SIMPLE ACCESS CODES

America Samoa	633-1000	Chile	004-0377	Hong Kong	001	Malaysia	006-121	Poland	0081-180-0115	Trinidad & Tobago	0086-1-447
Argentina	001-800-777-1111	China	008-13	India	004-800-01-877	Maldives	006-0016	Portugal	00407-1-877	Turkey	00900-1-447
Australia	001-800-551-111	Colombia-English	004-13-010	Indonesia	000-127	Mexico	05-800-777-8888	Venezuela	0058-1-800-011	United Arab Emirates	00966-1-447
Bahamas	001-800-551-111	Colombia-Spanish	004-13-010	Israel	000-127	Mozambique	002-0017	United Kingdom	0044-1-800-011	United Kingdom (Irish)	00353-1-800-011
Belize	001-800-551-111	Cuba	003-003-004	Japan	001-800-011	Netherlands	0031-022-9119	United States	001-800-011	United States (Alaska)	001-907-011
Bolivia	001-800-551-111	Cyprus	003-003-004	Korea	001-800-011	Nicaragua	0050-1-800-011	U.S. Virgin Islands	001-800-011	U.S. Virgin Islands	001-800-011
Brazil	001-800-551-111	Czech Republic	0042-087-887	Kuwait	009-001-11	Norway	0047-1-800-011	Venezuela-English	0058-1-800-011	Venezuela-Spanish	0058-1-800-011
Bulgaria	001-800-551-111	Dominican Republic	0080-754-777	Laos	001-800-011	Philippines	0063-001-11				
Canada	001-800-551-111	Ecuador	001-800-011	Lebanon	009-001-11	Poland	0048-1-800-011				
Chile	004-0377	El Salvador	00503-1-800-011	Lithuania	00370-1-800-011	Portugal	00351-1-800-011				
China	008-13	Finland	00358-1-800-011	Luxembourg	00352-1-800-011	Romania	0040-1-800-011				
Colombia-English	004-13-010	France	0033-1-800-011			Russia (Moscow)	007-001-11				
Colombia-Spanish	004-13-010	Germany	0049-1-800-011			Russia (Novosibirsk)	007-001-11				
Cuba	003-003-004	Greece	0030-1-800-011			Saudi Arabia	00966-1-800-011				
Cyprus	003-003-004	Hungary	0036-1-800-011			South Africa	0027-1-800-011				
Czech Republic	0042-087-887	Ireland	00353-1-800-011			Spain	0034-1-800-011				
Dominican Republic	0080-754-777	Italy	0039-1-800-011			Sweden	0046-1-800-011				
Ecuador	001-800-011	Japan	001-800-011			Switzerland	0041-1-800-011				
El Salvador	00503-1-800-011	Korea	001-800-011			Taiwan	00886-1-800-011				
Finland	00358-1-800-011	Kuwait	009-001-11			Thailand	0066-1-800-011				
France	0033-1-800-011	Laos	001-800-011								
Germany	0049-1-800-011	Lebanon	009-001-11								
Greece	0030-1-800-011	Lithuania	00370-1-800-011								
Hungary	0036-1-800-011	Luxembourg	00352-1-800-011								
Ireland	00353-1-800-011										
Italy	0039-1-800-011										
Japan	001-800-011										
Korea	001-800-011										
Kuwait	009-001-11										
Laos	001-800-011										
Lebanon	009-001-11										
Lithuania	00370-1-800-011										
Luxembourg	00352-1-800-011										

THE TRIB INDEX

INTERNATIONAL MA

A Trucker Br

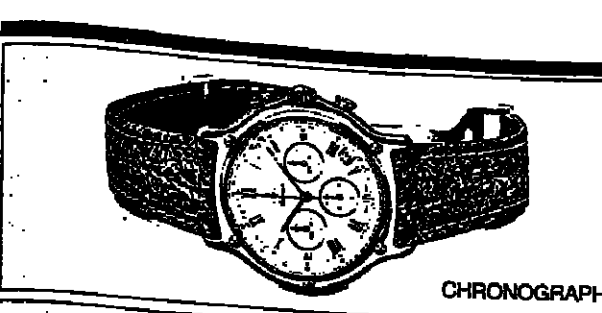
CURRE

Other Dollar Values

Forward Rates

Be there now

WorldCupUSA94

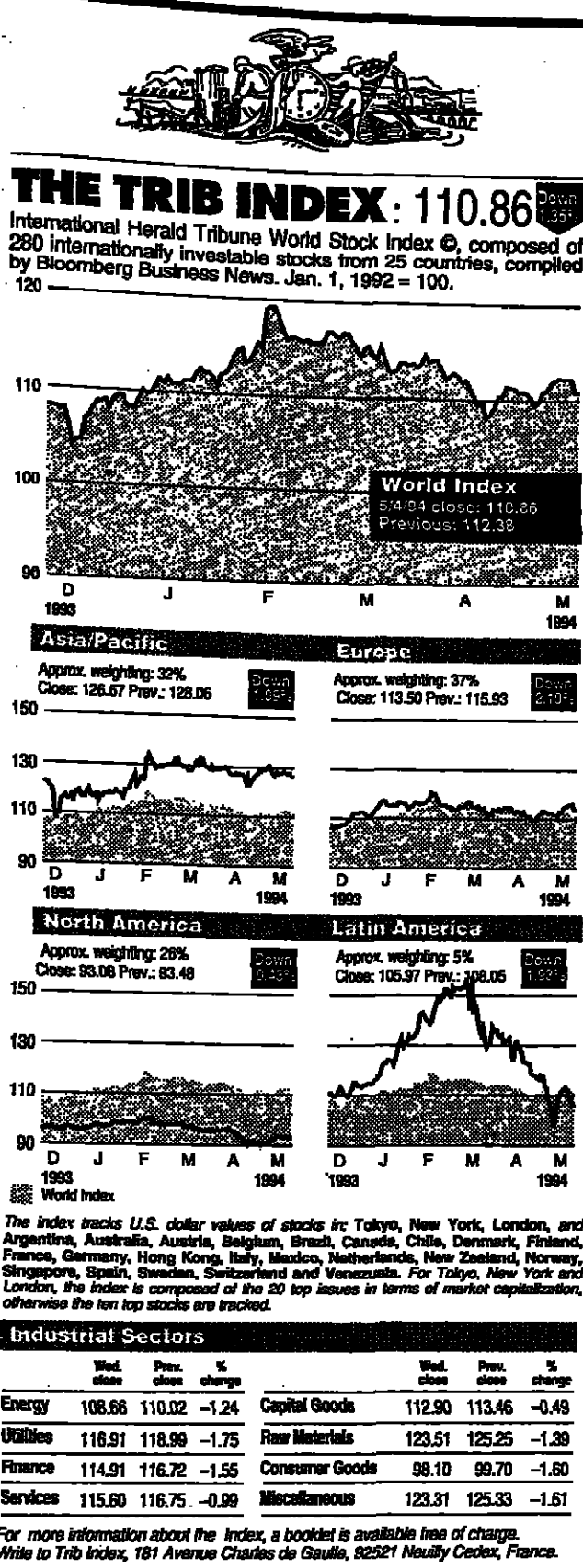


BUSINESS

International Herald Tribune, Thursday, May 5, 1994

Page 9

EBEL
the architects of time



Scandals Weigh on Spain's Markets

Compiled by Our Staff From Dispatches
MADRID — Spanish bonds, stocks and the peseta all fell sharply Wednesday, hit by rumors of a debt-rating downgrade triggered in turn by a chain of corruption cases shaking the government.

The peseta fell through a support level of 82 to the mark and the 10-year government bond widened its differential over the German Bund to more than 300 basis points for the first time in nearly a year.

Traders said the losses had been set in motion by rumors that Moody's Investors Service Inc. and Standard & Poor's Corp. were lowering the country's debt rating. Both agencies denied they had made any changes to Spain's sovereign rating or put the country on their special watch list.

Political scandals involving former officials of the Bank of Spain and the country's police force have shaken the markets in recent days and made foreign investors nervous about the stability of the government.

"The worst thing about all this is that the markets are left at the mercy of rumors and nobody knows what's going on," an analyst said.

Interior Minister Antoni Asunción appeared before a parliamentary committee Wednesday to explain the disappearance of the former head of the Civil Guard, Luis Roldán, who is wanted on embezzlement charges.

Next week, Mr. González will answer questions in Parliament on the case, which led Mr.

Asunción to submit his resignation Saturday. "I want to express the government's strong desire to get to the bottom of this," he said to the committee. But he offered no news of the whereabouts of Mr. Roldán, who failed to turn up in court last week.

The security forces' failure to find Mr. Roldán, who has given a lengthy interview to

rise in the yield of Spain's 10-year bonds to their highest level for seven months, while shares hovered at their lows for the year.

While European bond yields generally have risen in recent months, the rise in Spanish yields has outstripped other markets in the past weeks as details of the political scandal emerged. Ten-year bonds on the Barcelona exchange have dropped almost three points in a week to trade as low as 94.60, well below the year's high of 107.09 reached Jan. 31.

"It seems like we've got the political uncertainty and corruption scandals that we're used to seeing in Italy," said Kiri Shah, market strategist at First National Bank of Chicago. "And it seems to be on a larger scale than expected."

The Spanish stock market has also taken a beating as investors bail out. The General Index of leading stocks in Madrid fell 2.63 percent to a reading of 311.09 after it had posted a drop of 1.25 percent on Tuesday.

"The market will continue to be very tense," said Marco Pianelli, analyst at Nomura International. "People are waiting for the next revelation of political corruption to undermine González."

Local elections in southern Spain, traditionally a Socialist stronghold, are scheduled for June 12. If the ruling party fares badly, the government's troubles will begin to look even more serious, calling into question key economic policies such as labor-market reforms.

(Reuters, Bloomberg)

U.S. Economy Is Expanding, Fed Report Says

Compiled by Our Staff From Dispatches
WASHINGTON — The U.S. economy is growing solidly in most of the country, the Federal Reserve Board said Wednesday in its so-called Tan Book report on regional economic activity.

The report showed that economic growth gathered pace in the spring after two months of exceptionally severe winter weather. It offered a much stronger assessment of the economy's vigor than last spring, when only moderate expansion was reported.

Expansion is being driven by robust factory production, home building and retail sales, the report said.

"It looks like a pickup after a rough winter," said economist Cynthia Latta of DRI/McGraw Hill Inc. in Lexington, Massachusetts. "Business is running along pretty strongly, and I wouldn't really look for any weak spots until summer, when we may see some slowdown in housing."

Price rises were restrained by competition, the report said, an encouraging sign that inflation was under control so far.

"It's more evidence the economy is on a brisk growth path and that so far the inflation genie is being kept in the bottle," said Robert Dederick, an economist with Northern Trust in Chicago.

Separately, the Commerce Department said factory orders shot up in March by 1.1 percent to a seasonally adjusted \$274.7 billion — more than double Wall Street

economists' expectations for a 0.5 percent increase in business. Orders fell 0.3 percent in February.

The Fed survey, which covers the period until the end of April and is more current than the Commerce Department report, also said business was booming in the manufacturing sector.

"Production of autos, vehicle parts, steel and building materials is near capacity," the report said. The report will form the basis for discussion when the Fed's Open Market Committee meets May 17 to decide whether to raise interest rates again. The Fed has raised the rate on overnight loans among banks three times since January in an effort to prevent inflation from accelerating as the economy grows.

But the policy-making committee should find few signs of inflation in Wednesday's report, analysts said.

The report said improving weather in March fueled retail sales, with apparel sales particularly strong. Auto sales also were strong.

Although mortgage rates have crept higher, "home sales activity is reported brisk in most parts of the country and improving in the Northeast and California," the report said. Concern that home mortgage rates have already bottomed drew many potential buyers off the sidelines and into the market, the report said.

(Reuters, AP, Knight-Ridder, Bloomberg)

Philips NV Seeks to Expand in Media

Compiled by Our Staff From Dispatches

EINDHOVEN, Netherlands — Declaring an interest in expansion in the media business, Philips Electronics NV said Wednesday that it might issue new shares this year if it needed cash to finance a major acquisition.

"We have made the decision that we wish to grow in media, and this has to be via acquisitions, with the object of adding value," said Dudley Eustace, Philips' chief financial officer.

"We are prepared to spend, but we are not prepared to spend at any price."

Mr. Eustace spoke at a news conference after the presentation of Philips' first-quarter results. He said the company had budgeted 3 billion guilders (\$2 billion) for capital expenditure this year and ear-

marked an undefined amount for acquisitions.

Philips will remain active in capital markets, Mr. Eustace said, as it converts substantial chunks of short-term debt to longer maturities.

Philips is already active in the media sector. It owns 75 percent of music and film company Polygram NV and has a business unit that produces interactive media products. That unit, however, is still in its infancy and is unprofitable.

Philips' profit in the first quarter came in at the high end of analysts' forecasts, helped by lower debt and an unexpected improvement in the consumer electronics division.

Net profit soared 152 percent to 260 million guilders, from 103 million guilders in the depressed first quarter of 1993. The company made no forecast for the year, say-

ing it was cautious about the rate of earnings improvement because of lower consumer spending in Europe.

Sales fell to 13.65 billion guilders from 13.75 billion because of a number of divestments. Philips sold its stakes in Matsushita Electronics Corp. and the video rental chain Super Club last year. On a comparable basis, sales were slightly higher, Mr. Eustace said.

"The results are very good, very solid," said Kevin Bran, an analyst with Credit Suisse First Boston who tracks international electronics companies.

As with many other multinational companies that have reported sharply higher first-quarter earnings in recent weeks, Philips' profits were helped more by cost-cutting than by economic recovery in Europe, analysts said.

Investors and traders have repeatedly said in recent months that they believe Philips plans to raise money by selling new shares because its share price is high enough to do so.

"The share price now represents a significant premium over the book value of the company," Mr. Eustace said. "Shareholders should be reasonably satisfied."

Philips' components and semiconductor division proved the most profitable one in the first quarter, with operating income of 372 million guilders, up from 189 million last year.

Components and semiconductors are among the few Philips activities with a cyclical nature, where earnings depend heavily on fluctuations in the economic cycle.

(Bloomberg, Reuters)

Kluge's LDDS Bids \$2 Billion for WitTel

Compiled by Our Staff From Dispatches
TULSA, Oklahoma — LDDS Communications Inc., the fast-growing telecommunications company headed by the billionaire John Kluge, has offered \$2 billion in cash or stock for rival WitTel Communications.

Shares of Williams Cos., parent of WitTel, rose almost 13 percent on the news.

The "alternative offers" for WitTel were disclosed Tuesday in a filing by LDDS with the Securities and Exchange Commission. The purchase price would be \$2 billion minus WitTel's debt. Williams Cos. said in a statement.

LDDS, the fourth-largest long-distance service company in the United States, is a WitTel customer. It is currently negotiating a new long-term contract for services, said Williams Cos., an operator of pipelines and natural gas gathering and processing systems. WitTel provides both telecommunications and services, and acts as a carrier for other long-distance providers.

Williams shares rose \$3.375 Wednesday, to \$28.875, and LDDS was up 25 cents, at \$23.25. Trading volume in Williams was nearly 2 million shares, about four times its recent daily average.

Keith Bailey, Williams' president and chief executive, said the LDDS offer "will be taken into consideration along with a number of other alternatives."

These included continued ownership of WitTel, alliances with one or more partners, a spin-off of WitTel to Williams shareholders, and the issuance of a targeted stock.

WitTel, created in 1985 by a Williams pipeline unit, had revenue of \$958 million last year. Williams' total revenue was \$2.43 billion. Last month, LDDS President and chief executive Bernard Ebbers told investors the company plans to continue making acquisitions.

INTERNATIONAL MANAGER

A Trucker Branches Out

By Simon Bradwell

WELLINGTON — Graeme Hart, an entrepreneur truck driver turned multimillionaire bookseller, is unlikely to remain a passive investor in the Australian grocery retailer Foodlands Ltd., analysts said Wednesday.

Mr. Hart bought a 15 percent stake in Foodlands last week through a share swap, and analysts saw the purchase as a likely first step toward a longer-term goal, figuring he was unlikely to be satisfied with a passive stake in the Australian company.

"It's been said that he's not seeking any management control," an analyst said. "That seems very strange to me."

Aside from the obvious retail connection, the move is seen as a departure for Mr. Hart from his core business, Whitcoulls Ltd., which operates book and stationery stores.

Mr. Hart, 38, who has risen in four years from relative anonymity to become one of New Zealand's richest men, was not available for comment. He made his name as an opportunist entrepreneur by buying the Government Printing Office from the government in 1990 for 23 million New Zealand dollars (\$13 million). The price was described by analysts at the time as a steal. A later government inquiry confirmed that was far too low.

In 1991, Mr. Hart, through his holding company Rank Group, bought the Whitcoulls chain of book and stationery retailers from Brierley Investments Ltd. for 71 million dollars. For the second half of 1993, Whitcoulls reported a net profit of 13.7 million dollars, almost double the year-earlier result.

Analysts said Mr. Hart could be interested in Foodlands' New Zealand department-store chain, Farmers DeKa.

He's been looking at Farmers DeKa for at least a year, an analyst said. "Two years ago he tried to buy Farmers and just missed, so I imagine he's still interested. It does seem strange if he's just going to sit on 15 percent."

The most likely opportunity for Mr. Hart to pick up the Farmers chain would come if Foodlands is the subject of a takeover, in which case his 15 percent might prove leverage enough to secure what he wants.

"You can paint any number of scenarios, but really it hangs on someone wanting to come in and pull F&L apart," another analyst said. "With its price where it is, it's really open to that."

Foodlands shares traded at 5.02 Australian dollars (US\$3.55) Wednesday, down from 5.10 Tuesday and well below the year's high of 8.00.

Share prices fell after the resignation of David Fawcett as chief executive. Mr. Fawcett quit in a dispute over board restructuring and amid doubts over Foodlands' ability to become the third force in the Australian grocery market after Coles Myer and Woolworths.

Hong Kong-based Dairy Farm International Holdings, the retail and food arm of Jardine Matheson Group, is seen as a candidate to take over Foodlands.

The market is also in the dark as to Mr. Hart's intentions with his flagship company, Whitcoulls. In taking his stake in Foodlands, he essentially swapped holdings with Sydney-based NRMA Investments, which now holds 13.9 million shares of Whitcoulls, or 13.2 percent.

Whitcoulls also spent 34 million Australian dollars to acquire the Angus & Robertson bookstore chain last December and bought London Books for 20 million New Zealand dollars.

Some analysts said Mr. Hart's retention of the majority holding in Whitcoulls was indicative of his commitment to the group.

López Perjury Inquiry Is Dropped

Compiled by Our Staff From Dispatches

BONN — Prosecutors in Hamburg on Wednesday dropped an investigation of the Volkswagen production chief, José Ignacio López de Arriortua, for possible perjury after he agreed to pay 75,000 Deutsche marks (\$46,000) to charity.

But German and U.S. prosecutors will continue to investigate more serious industrial espionage allegations against Mr. López by his former employer, General Motors Corp.

The U.S. vehicle maker alleges that the Spanish-born executive and his associates took confidential information with them when they left GM to join VW last year. Mr. López, VW's purchasing and production manager, and Volkswagen deny the allegations.

The Hamburg public prosecutor's office said Mr. López had agreed to pay the 75,000 DM to a charity for handicapped children.

"There was sufficient suspicion against the accused," a statement from the office said, "of negligently making false and incomplete statements" on two points.

These concerned his possession of a draft sketch and photographs of the new Vectra model developed by the rival carmaker Adam Opel AG, GM's German subsidiary.

However, the scope of Mr. López's guilt in the matter could be regarded as minor, according to the prosecutor's statement.

VW stressed that although Mr. López would pay the money to charity, he had not been officially charged with any offense.

"Mr. López had wanted the case to proceed and thereby clear his name but agreed to settle in the interest of the company," the German car group said.

Last week, prosecutors in Darmstadt said they had found evidence suggesting that VW managers had been in possession of documents and computer disks belonging to Opel, some of which were classified as secret, when they changed jobs last year.

But the prosecutors said they could not decide whether to file charges against Mr. López until investigations were completed.

(Reuters, Bloomberg, AFP)

■ **Schneider Case Weighed**

Jürgen Schneider, the German property magnate who disappeared last month, is being investigated for possible bribery and systematic evasion of value-added tax payments, a spokeswoman for the Finance Ministry in the state of Hesse said, according to a Reuters report from Frankfurt.

Mr. Schneider, who left his company with no access to funds, is already being investigated on charges of falsifying documents, and he faces bankruptcy proceedings.

CURRENCY & INTEREST RATES

May 4

Eurocurrency Deposits

Cross Rates		U.S.	D.M.	F.F.	Y.F.	B.F.	S.P.	Yen	£	Pounds		D-Mark	Swiss Franc	
Australia	1.65	2.75	1.22	1.35	0.78	1.35	1.35	1.35	1.35	1.35	1 month	4-4%	5 1/2-5%	3 1/4-4 1/2%
Canada	1.35	2.15	1.05	1.15	0.65	1.15	1.15	1.15	1.15	1.15	3 months	4 1/4-4 1/2%	5 1/2-5%	3 1/4-4 1/2%
France	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00	6 months	4 1/4-4 1/2%	5 1/2-5%	3 1/4-4 1/2%
Germany	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00	1 year	5 1/2-5 1/2%	5-5 1/2%	3 1/4-4 1/2%
Italy	1.36	1.93	1.00	1.00	0.54	1.00	1.00	1.00	1.00	1.00				
Japan	1.35	1.00	1.00	1.00	0.69	1.00	1.00	1.00	1.00	1.00				
UK	0.78	1.35	0.65	1.00	1.00	1.00	1.00	1.00	1.00	1.00				
Switzerland	1.35	1.00	1.00	1.00	0.78	1.00	1.00	1.00	1.00	1.00				
Sweden	1.35	1.00	1.00	1.00	0.65	1.00	1.00	1.00	1.00	1.00				
Spain	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00				
South Africa	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00				
South Korea	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00				
Taiwan	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00				
Thailand	1.66	1.00	1.00	1.00	0.66	1.00	1.00	1.00	1.00	1.00				
U.S.	1.00	0.66	0.65	0.69	0.78	0.66	0.66	0.66	0.66	0.66				
West Germany	0.60	1.00	0.65	0.69	0.78	1.00	1.00	1.00	1.00	1.00				
Yen	1.35	1.00	1.00	1.00	0.69	1.00	1.00	1.00	1.00	1.00				
Other														

Sources: Reuters, Lloyds Bank.

Rates applicable to interbank deposits of \$1 million.

U.S. = U.S. dollar; D-Mark = German mark; Swiss = Swiss franc.

Y.F. = Yen; B.F. = British pound; S.P. = Swiss franc.

Yen = Japanese yen; £ = British pound; Pounds = British pound.

1 month = 1 month; 3 months = 3 months; 6 months = 6 months; 1 year = 1 year; 2 years = 2 years; 3 years = 3 years; 4 years = 4 years; 5 years = 5 years.

4-4 1/2% = 4 1/2% to 4 1/2%; 5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2% = 5% to 5 1/2%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5 1/2-5% = 5 1/2% to 5%.

3 1/4-4 1/2% = 3 1/4% to 4 1/2%.

5-5 1/2

MARKET DIARY

Precarious Dollar
Burdens Stocks

Capital in Our Staff From Despatches

NEW YORK — Stock prices slid Wednesday on concerns that persistent weakness in the dollar would pull funds away from dollar-denominated assets.

The Dow Jones industrial average closed down 16.66 points at 3,697.75. Declining issues outpaced

U.S. Stocks

advancing stocks by a 4-to-3 margin on the New York Stock Exchange.

Stock investors were discouraged by the fact that repeated intervention by central banks was necessary to support the dollar against the Deutsche mark and yen.

Recent weakness in Treasury bond prices and the resultant higher yields also dampened buying enthusiasm. The price of the benchmark 30-year Treasury bond edged up 4.32 points to 87, with the yield slipping to 7.33 percent from 7.35 percent.

But yields have been trending higher this week, and strong economic data released Tuesday spurred sentiment that the Federal Reserve Board may raise interest

rates again soon as a preemptive strike against inflation. The Fed has already nudged rates up three times this year.

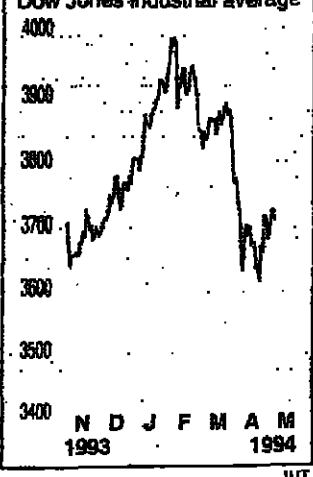
Takeover talk continued to influence stock trading. A widespread belief that further consolidation is ahead for the drug and health care sector and speculation about acquisitions concerning other companies have affected trading in recent days.

Syntex was the most actively traded stock on the Big Board for a second straight day, drawing interest from news this week that Roche Holding would acquire the drugmaker for \$5.3 billion. Syntex finished steady at 23 1/2.

Time Warner shares slipped 1/4 to 39 1/2, buffeted for a second day by speculation that the company's largest shareholder was planning to increase its stake, possibly in preparation for a takeover bid.

Broderbund Software rose 3/4 to 44 1/2, continuing to draw support from its decision Tuesday to call off a merger with Electronic Arts, a maker of video software. Electronic Arts fell 1 7/8 to 18 1/2.

(A.P. Bloomberg)

The Dow
Daily closings of the
Dow Jones industrial average
4000

NYSE Most Actives

Vol.	High	Low	Last	Chg.
Syntex	23 1/2	23 1/2	23 1/2	0
Time Warner	39 1/2	39 1/2	39 1/2	-1/4
Broderbund	44 1/2	44 1/2	44 1/2	3/4
Electronic Arts	18 1/2	18 1/2	18 1/2	-1 7/8

NASDAQ Most Actives

Vol.	High	Low	Last	Chg.
Intel	57 1/2	57 1/2	57 1/2	0
Microsoft	60 1/2	60 1/2	60 1/2	0
Oracle	34 1/2	34 1/2	34 1/2	0
IBM	100 1/2	100 1/2	100 1/2	0

AMEX Most Actives

Vol.	High	Low	Last	Chg.
Goldman Sachs	17 1/2	17 1/2	17 1/2	0
JP Morgan Chase	17 1/2	17 1/2	17 1/2	0
Bank of America	17 1/2	17 1/2	17 1/2	0
Wells Fargo	17 1/2	17 1/2	17 1/2	0

Market Sales

NYSE	AMEX	NASDAQ
1,234,567	123,456	2,345,678
1,234,567	123,456	2,345,678

Dow Jones Averages

Open	High	Low	Last	Chg.
3,715.00	3,715.00	3,697.75	3,697.75	-16.66

Standard & Poor's Indexes

High	Low	Close	Chg.
524.77	524.77	524.77	0

NYSE Indexes

High	Low	Close	Chg.
2,143.33	2,143.33	2,143.33	0

NASDAQ Indexes

High	Low	Close	Chg.
2,143.33	2,143.33	2,143.33	0

AMEX Stock Index

High	Low	Close	Chg.
2,143.33	2,143.33	2,143.33	0

NYSE Diary

Advanced	Declined	Unchanged
1,234	567	890

AMEX Diary

Advanced	Declined	Unchanged
1,234	567	890

NASDAQ Diary

Advanced	Declined	Unchanged
1,234	567	890

Dow Jones Bond Averages

High	Low	Close	Chg.
100.00	100.00	100.00	0

Spot Commodities

Commodity	High	Low	Last	Chg.
Gold	380.00	380.00	380.00	0

EUROPEAN FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Dividends

Company	Per Share	Pay Date
ABC Corp.	1.00	6/15/94

STOCK SPLIT

Company	Split Ratio	Effective Date
DEF Ltd.	2:1	5/15/94

CORRECTION

Company	Correction
GHI Inc.	1.00

REGULAR

Company	Price
JKL Corp.	10.00

INDUSTRIALS

Company	Price
MNO Ltd.	20.00

U.S. FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Grains

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

LIVESTOCK

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Commodity Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Food

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Energy

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

U.S. FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Grains

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

LIVESTOCK

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Commodity Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Food

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Energy

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

EUROPEAN FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Dividends

Company	Per Share	Pay Date
ABC Corp.	1.00	6/15/94

STOCK SPLIT

Company	Split Ratio	Effective Date
DEF Ltd.	2:1	5/15/94

CORRECTION

Company	Correction
GHI Inc.	1.00

REGULAR

Company	Price
JKL Corp.	10.00

INDUSTRIALS

Company	Price
MNO Ltd.	20.00

U.S. FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Grains

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

LIVESTOCK

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Commodity Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Food

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Energy

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

U.S. FUTURES

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Grains

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Metals

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

LIVESTOCK

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Financial

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Stock Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Commodity Indexes

High	Low	Close	Chg.
1,234.56	1,234.56	1,234.56	0

Food

High	Low	Close	Chg.

Unilever Shares Slump on Hints Of Weak Results

Reuters
LONDON — Shares of Unilever PLC slipped Wednesday after comments from the company's chairman led to speculation the company would report weak first-quarter earnings next week.

Unilever PLC, which jointly manages Unilever Group with Unilever NV of the Netherlands, fell to £10.53 (\$16), a 1 percent drop from Tuesday, after Sir Michael Perry said any improvement in economic conditions this year was likely to be patchy and uneven.

The comments ruled out favorable results for the quarter from the consumer-products conglomerate, an analyst said.

"There's nothing that would attract us to buy the shares," said Julian Lakin, an analyst at James Capel & Co., who said there were questions over the company's growth and competitive pressure.

Analysts also said Sir Michael's criticism of look-alike products supported market concern that Unilever may be vulnerable to such goods. Sir Michael called companies that copy the packaging of leading brands goods parasitical and said Unilever would lobby Britain's government to enact a ban on such packaging.

"I have no objection to sitting at the same table as my competitors, but I do object to them eating off my plate," Sir Michael said, noting that Unilever had spent £318 million on brand research and development and £3.3 billion on promotion last year.

"Look-alikes which set to mislead are a parasitic form of competition, feeding on the investment in research, innovation and marketing expertise of others," he said.

Profits Jump at BAT
First-quarter profits jumped nearly 20 percent at BAT Industries PLC, the British tobacco and financial services company, AFP-Exel News reported.

BAT, which last week announced plans to buy U.S.-based American Tobacco, earned a pre-tax £424 million in the quarter on revenue of £5.84 billion. The company said trading profit on financial services rose 16 percent to £220 million.

Tobacco profit rose 13 percent from the 1993 quarter to £268 million, exceeding expectations, particularly in Germany and the United States.

Also on Wednesday, Tate & Lyle PLC, one of the world's biggest sugar producers, said pre-tax profit rose 22 percent to 124 million Deutsche marks (\$75 million), boosted in particular by sales of pharmaceuticals abroad.

The German pharmaceutical company repeated its forecast of an increase in profit for the full year, backed by rising earnings in Europe, Latin America and the United States.

But earnings did not keep pace with sales, which surged 19 percent, to 1.15 billion DM, because the company transferred its agrochemical operations into a joint venture with Hoechst AG late last year. Hoechst holds a 60 percent stake in the agrochemical joint venture.

Telecoms Want Faster Deregulation

By Tom Buerkle
International Herald Tribune

BRUSSELS — Less than a year after the European Union set a 1996 target for liberalizing telecommunications services, the industry and some governments are pressing for faster and more sweeping deregulation to bolster Europe's competitiveness.

The most urgent push comes from the industry. Major players like AT&T Corp. and British Telecommunications PLC are positioning themselves to offer pan-European services, while business users are flexing their muscles to fight charges that can run as high as double the comparable U.S. prices.

In a landmark deal last month that could be worth 500 million European currency units (\$586 million) a year, a group of 30 major companies awarded a contract for corporate network voice services to British Telecom and a joint venture of AT&T and Unisource, a Netherlands-based consortium. The companies say they hope to cut costs by as much as 40 percent and obtain new services such as call switching, which allows executives to take their phone numbers with them when they travel.

This commercial pressure is reinforced by a European Union drive to build a trans-European information superhighway. Like a similar U.S. effort, this network is considered crucial to Europe's ability to compete in a future where telephone, television and computer technologies are converging. But telephone monopolies in every country but Britain are deterring potential suppliers and users of new services.

"The main obstacles are high telecommunications costs," said one European Commission official working on the network plan. "Deregulation is the most urgent thing to do."

Eric Vae, a General Electric Co. executive who heads the telecommunications panel of the EC Committee of the American Chamber of Commerce in Belgium, which is the main lobbying group in Brussels for U.S. business-

es, said, "Private industry is never going to put a single Euro in this thing if they realize they're going to be stuck with very rigid regulation."

Responding to those pressures, the European Commission is considering a directive that would allow cable television operators to use their networks to offer services such as voice and data transmission for corporate groups. In the deregulated British market, cable-based service is the fastest-growing sector of the telephone market, with Mercury Communications serving more than a third of

Business users of telecommunications services in Europe are flexing their muscles to fight charges that can run as high as double the comparable U.S. prices.

its 780,000 residential customers via cable companies rather than British Telecom. Karel Van Miert, the EU's competition commissioner, said the move would introduce a dose of competition and help industry prepare for a full liberalization of Europe's \$120 billion market for telecommunications services while not yet undermining the monopoly that Europe's state-owned companies have on basic telephone service. "I think we need to go ahead," he said.

That proposal, as well as a separate plan to allow utilities such as railroad and electric companies to offer similar services over their internal telecom networks, is likely to be endorsed Friday when a group of senior technology executives appointed by EU Industry Commissioner Martin Bangemann meets in Brussels to make recommendations for devel-

oping information highways, people close to the group say.

"There is broad agreement that operators should be allowed to use the existing networks," the commission official said.

But those proposals will face stiff opposition from the less developed southern European countries, who blocked a similar EU initiative a year ago, and from state-owned telephone monopolies seeking to delay open competition.

Despite that opposition, some national governments may be prepared to move faster. The Netherlands is seeking to get cable operators and utilities to unite to form a nationwide network next year to compete with Royal PTT Nederland NV, which the government will privatize next month. Germany has advanced its target date for selling Deutsche Telekom to 1996.

The fear in industry is that such moves will entrench the current patchwork of different national regulations and impede the development of pan-European services.

"There is a real need out there," said Viesturs Vucins, president of Unisource, a consortium owned by the Dutch, Swiss and Swedish telephone companies. "European industry has to be competitive in telecoms. Anything that's not opening up markets is wrong."

Industry officials and analysts say liberalization of infrastructure — the actual cables and switches that carry voice and data traffic — is essential to developing true competition in telecommunications service. They say any competitive edge they may have is dulled by the fees they must pay to connect their clients to the telephone networks of the national monopolies.

"The next major front will be how the system allows for infrastructure competition," said John D. Foster, head of AT&T Communications Services in Brussels. "The system will change because essentially it's an uneconomic system."

Foreign Sales Buoy Schering's First-Period Net

Compiled by Our Staff From Dispatches

BERLIN — Schering AG said Wednesday its first-quarter profit rose 2 percent, to 124 million Deutsche marks (\$75 million), boosted in particular by sales of pharmaceuticals abroad.

The German pharmaceutical company repeated its forecast of an increase in profit for the full year, backed by rising earnings in Europe, Latin America and the United States.

But earnings did not keep pace with sales, which surged 19 percent, to 1.15 billion DM, because the company transferred its agrochemical operations into a joint venture with Hoechst AG late last year. Hoechst holds a 60 percent stake in the agrochemical joint venture.

and Schering has 40 percent. That means that Schering now receives only part of the profit from the business.

Schering said the venture's profit had been under pressure because of seasonal factors. Earnings from the company's core pharmaceutical division grew in proportion with sales during the quarter, the company said.

Overseas sales were up 22 percent, while domestic sales rose by only 6 percent, reflecting the recession in Germany.

Beiserson, Schering's drug for multiple sclerosis that was launched for sale in the United States late last year, accounted for four percentage points of the 19 percent increase in group sales. The

company said. Sales of the drug totaled 41 million DM in spite of initial difficulties in distribution.

The company said the strength of the dollar and yen also helped its results. (Bloomberg, AFP, Reuters)

Hafslund Profit Slips
Hafslund Nyeom AS, a Nor-

wegian pharmaceutical company, said pre-tax earnings in the first quarter fell 21 percent, to 302 million kroner (\$42.3 million), Reuters reported from Oslo.

But the company forecast that its profit for 1994 would be in line with its pre-tax profit of 1.57 billion kroner for 1993.

Klöckner-Werke Had 'Slight' First-Half Loss
AFP-Exel News

DUISBURG, Germany — Klöckner-Werke AG said Wednesday it had a "slight" operating loss in the six months ended in March but affirmed its forecast that it would return to profit in the full year ending in September.

The steel and plastics manufacturer provided no figures but said the first-half loss was "within plan." It said group sales in the first half fell 12 percent, to 2.95 billion Deutsche marks (\$1 billion), from 2.30 billion DM a year earlier. Sales were down 23 percent at its domestic operations but only 4.8 percent in its export divisions. Sales at the company's foreign divisions rose 6.8 percent.

Leveraged Capital Holdings
Weekly net asset value

on 29.04.94
US \$ 60.50

Listed on the Amsterdam Stock Exchange

Information: Mees-Picson Capital Management
Rokin 55, 1012 KK Amsterdam.
Tel.: +31-20-5211410.

SOCIETE FINANCIERE PRIVEE S.A. - Geneva

Net Income and Dividend Increase

Fiscal Year 1993	Swiss Francs in mio	1993/1992
Trading activity	4,654.0	+ 4215.8*
Incomes	11.9	+ 4.7
Expenses	6.6	+ 0.4
Gross Profit	5.3	+ 4.3
Amortizations & Provisions	3.3	+ 2.7
Net Profit	2.0	+ 1.6

*1992 three months activity

In a transition year when we became a quoted public company, listed on the Geneva Stock Exchange, the company has increased net incomes and reserves by Sfr 8.4 millions.

The Board has proposed to the Shareholders 'Meeting to set the dividend at Sfr 10.- for the bearer shares and Sfr 1.- for the nominative shares. The paid-up capital of the company will be increased by the issuance of Sfr 23'215'000.- convertible bonds during May 1994.

The preliminary report is available since April 12th if you wish to receive it, please telephone or write to:

SFP, chemin du velours 24, P.O. Box 360, CH-1211 GENEVA 17
Tel.: (41) 22 347.90.21

CURRENCY AND CAPITAL MARKET SERVICES

CURRENCY MANAGEMENT CORPORATION PLC
Winchester House, 77 London Wall, London EC2M 5ND
Tel: 071-382 9745 Fax: 071-382 9487
FOREIGN EXCHANGE & GOLD
24 Hour London Dealing Desk
Competitive Rates & Daily Cash Sheet
Call for further information & brochure

FOREIGN EXCHANGE & GOLD
PREMIER SPECULATION SERVICE
CALL UP TO 100 MILLION LBS
Top Floor, Cameo House, 11 Bevis Street, London EC2H 7AS
Tel: (071) 839 6161 Fax: (071) 839 2414

EUROPEAN PRICEBUSTER
Call Anytime
On London 44 + 71 231 3556

FutureSource The real-time information system preferred by institutions and now available to traders at home. Unrivaled coverage of an unrivaled price. Futures • Options • FX • Energy • Commodities • Metals • News • Full Charting & Technical Analysis from our Worldwide coverage - available via Satellite through Europe.
Call FutureSource Tel.: +44 71-867 8867 Fax: +44 71-481 3042

Duff Forecasts and Market Myths for 1994
The US dollar will remain dominant but continue to fall. Gold & most commodities won't rise. Japan's economy & stock market will be weak. You did NOT read that in *Fuller/Money* - the iconic speculative investment letter.
Call Kylo Phillips for a sample issue (free only) at: 01-439 4251
7 Swallow Street, London, W1A 2JD, UK Tel: London 71-439 4251
(24 hr. 24/7) Fax: 71-439 4251

FOREX • METALS • BONDS • SOFTS
Objective analysis for professional investors
(44) 962 879764
Finnens House, 32 Southgate Street, Winchester, Hants SO23 9EH UK Fax: (44) 424 774057

Consistent profits in futures are possible!
Learn how to speculate like a professional in international futures markets
Call for free info:
Gerling & Cie., 4, rue Pasteur, 75011 Paris, France
Tel.: 33-1-43 86 01 12 - Fax: 33-1-43 86 01 43

PROFIT THE DAILY SPECULATOR THE COMMODITY TRADER THE WEEKLY INVESTOR
Timely, specific, proven market strategies, delivered daily, before the markets open. Please call for a FREE copy of the market letter of your choice.
FINANCIAL TRADERS LTD.
280 Chiswick Avenue, Uxbridge, Mids. UB8 3PH, UK
Tel.: 0181-608-4800 Fax: 0181-608-4897

FOREX
✓ Competitive Prices
✓ Daily Fax Service
TEL 071-931 9188 • FAX 071-931 7114
SOVEREIGN (FOREX) LTD
42a Buckingham Palace Road, London SW1W 0RE
24hr FOREIGN EXCHANGE

REUTERS 1000
24 hours a day - only \$100 a month!
LIVE FINANCIAL DATA DIRECT TO YOUR PC
hyperCOM
For more information Fax +45 4587 8773

For further details on how to place your listing contact:
PATRICK FALCONER in London
Tel: (+44) 71 836 48 02 - Fax: (+44) 71 240 2254
Herald International
Herald is a leading financial newspaper in the world.

NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

Continued on Page 12

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

12 Month High Low Stock Div Yld PE 100s High Low Latest Chg

Australia Launches Jobs Plan

Compiled by Our Staff From Dispatches
SYDNEY — Prime Minister Paul Keating announced Wednesday a \$5.4 billion Australian dollar (US\$4.63 billion) program to help get the country's 900,000 unemployed people back to work.

Mr. Keating described the four-year package, which caused sharp drops in major Australian markets, as the "most profound reform of Australia's labor market and social security provision since World War II."

The Sydney All-Ordinaries index of shares fell 1.3 percent to close at 2,018.4 points.

The yield on the 10-year government bond surged to a 16-month high of 8.78 percent, up from 8.49 percent Tuesday. The Australian dollar was quoted in late trading at 70.50 U.S. cents, down more than half a cent from Tuesday.

"It's an absolute debacle today," Damian Hennessy, an investment manager at HSBC Investment Management, said. "What's tipped it over the edge," he said, "were signs of rising government spending."

The bulk of the cost of the plan would finance an ambitious program to guarantee a job to all people who had been unemployed for more than 18 months. Assistance would be stopped only if they refused to accept reasonable job offers.

The package, announced just six days before the country's next budget is to be outlined, aims to reduce unemployment to 5 percent by the end of the decade from current levels of more than 10 percent.

Australia's economy grew about 4 percent in 1993, and the number of jobs has grown by 230,000 since April 1993. But official data show that the adjusted unemployment rate in March still stood at 10.3 percent, representing 902,700 people.

The package fulfilled Mr. Keating's election promise, made last year, to help the unemployed.

Employers would be offered incentives to take on the long-term unemployed, with a subsidy of 200 dollars for each employee for the first 13 weeks, 100 dollars for the next 26 weeks and a bonus of 500 dollars for retaining workers after a year.

The government said outlays would be "consistent with our target of a deficit of around 1 percent of gross domestic product by 1996 and 1997," adding that the budget is "well set up" to return to surplus later in the decade.

(AFP, APX, Bloomberg)

Manila Stocks Gain as H.K. Equities Fall

Compiled by Our Staff From Dispatches
MANILA — Philippine stocks recorded their biggest gain of the year Wednesday, as Philippine Long Distance Telephone Co. broke out of a prolonged slump.

The Philippine Stock Exchange closed at 3,064.05 points, up 4.29 percent. PLDT finished at 1,995 pesos (\$74), up 8 percent.

PLDT's surge was triggered by a government announcement Monday that, in line with a plan to end PLDT's monopoly, awarded remaining telephone service area contracts to competitors.

The announcement focused investors on telecommunications stocks and highlighted PLDT's strength, analysts said.

Meanwhile, stocks in Hong Kong plunged Wednesday, as the blue-chip Hang Seng index dropped to a 1994 low of 8,359.41 points before closing at 8,369.44, down 3.6 percent.

Brokers cited a list of reasons for the bearish mood in Hong Kong, ranging from talk that Chinese patriarch Deng Xiaoping was mortally ill, to the postponement of a large equity offering by India's telecommunications monopoly.

(Bloomberg, Reuters)

Richard Li's Firm To Take Control Of Seapower Asia

Bloomberg Business News
HONG KONG — Richard Li, the founder and former head of the Asian regional satellite broadcaster STAR TV, announced Wednesday he planned to take a controlling interest in Seapower Asia, a financial-services, real-estate and hotel concern that is listed on the Singapore stock exchange.

Mr. Li, the 27-year-old son of Li Ka-shing, a major Hong Kong investor, is making the investment through his Pacific Century Group. Pacific Century said it was buying or had options to buy 45.8 percent of Seapower Asia. It has no stake in the company at present.

Richard Li set up Pacific Century with part of the \$325 million received from the sale of 63.6 percent of STAR TV to News Corp. in July 1993. Pacific Century said that if it bought all the 45.8 percent stake, it would make a general takeover offer for Seapower Asia as required by Singapore rules.

Kia Aims for Worldwide Car Sales

Reuters
ASAN, South Korea — Kia Motors Corp., which started life as a humble bicycle manufacturer, is now approaching its goal of becoming a major force in the world car market by the end of the century.

Kia, South Korea's largest carmaker after Hyundai Motor Co., has embarked on a \$6 billion dollar expansion plan.

Han Seung Joon, Kia's president, said the company planned to double its production capacity before 2000.

"Expansion is necessary to survive and grow," he said. "We hope to become one of the world's top 10 producers by then."

Kia was founded in 1944 by Kim Chul Ho, an engineer at a Japanese steel-processing company, toward the end of Japan's

occupation of Korea. Mr. Kim, whose personal mission was to implant industrial machinery in impoverished South Korea, made bicycle parts until 1952, when he and his 50 employees made the country's first complete bicycle.

Thirty years later, working with Japan's Mazda Motor Corp., Kia turned out its first passenger sedan. An additional technical tie-up with Ford Motor Co. in 1986 led to the largely homegrown Sephia and Sportage passenger cars.

"Sportage is uniquely designed to attract foreign buyers," said Lee Dong Ki, a car industry analyst at Barclays de Zoete Wedd. "Kia's partners — Ford and Mazda — are lined up to sell the model in Australia, Taiwan and Japan."

Sepia, meanwhile, is targeted at the upscale domestic market.

It is with these and future models that Kia aims to make its big splash overseas. Analysts say the company stands a good chance of success.

Koh Young Jong, senior analyst at the Korea Automobile Manufacturers' Association, says Kia's design and overall performance compared favorably with any in the world.

"In quality and price, Kia's Sportage and Sephia are very attractive," he said.

The aim of the \$6 billion expansion program is to establish a world market share because of a sharp slump in overall domestic demand, from an annual increase of about 40 percent in the late 1980s to 18 percent last year.

Kia said it was negotiating with Rover Group PLC of Britain to jointly develop a large gasoline engine for sedans. A Kia official

said the two companies were expected to sign the contract before the end of June to produce engines of 2,000 and 2,500 cubic centimeters.

He said Kia also wanted eventually to develop diesel engines for passenger cars in cooperation with Rover, which has been taken over by the German carmaker Bayerische Motoren Werke AG.

Last year Kia accused Samsung Co., South Korea's largest conglomerate, of planning a hostile takeover. Instead, Samsung announced last month it had entered the automobile industry, not by trying to take over Kia, but by going into partnership with Japan's Nissan Motor Co.

Kia's exports were 158,415 units last year, 26 percent of its total sales of 600,986 units. It plans to increase exports by 61 percent this year.

Ssangyong Oil Challenges Seoul on Price Controls

Knight-Ridder
SEOUL — Ssangyong Oil Refining Co.'s surprise move to cut its gasoline delivery price has upset government officials, who worry that cutthroat competition among oil companies could threaten the recently introduced petroleum-pricing system.

The government is expected to put strong pressure on the company to conform to industry standards to prevent an unraveling of the structure of domestic and international prices. The current pricing system favors industrial development at the expense of private consumption.

The Ministry of Trade, Energy and Industry, which controls petroleum product prices,

cannot openly require Ssangyong Oil not to undercut the competition at the retail level, because lowering prices is not against the law.

Oil firms have traditionally sold gasoline at the government-set ceiling prices in order to maximize profits.

The controversy was set off last week when Ssangyong Oil, one of five local oil companies, reduced its gasoline price by 15 to 20 won (about 2 to 2.5 cents) from the government-set ceiling price of 614 won a liter for the April 15-May 14 period.

"The price cut is to benefit our customers," a Ssangyong spokesman said. "And we also hope to expand our market share."

Ssangyong is currently ranked third in do-

mestic market share with 12.2 percent, far behind Yukong Ltd.'s 39 percent and Honam Oil Refining Co.'s 30 percent.

"The government doesn't approve of Ssangyong's move," a ministry official said. "This might result in cutthroat competition, which is not good."

The company's unilateral price cut may prompt the government to speed up price liberalization, according to industrial and government sources.

In fact the government may accelerate the lifting of controls. Oil price liberalization is one part of a planned deregulation of most aspects of the South Korean economy by the end of 1997.

recovery will take "a very, very long time," said Masu Kato of Morgan Stanley & Co.

"At over 500 yen, you're paying a very large premium just betting on what Ford will do," said Jonathan Dobson, analyst with Jardine Fleming Securities. "Mazda has three problems, and Ford is addressing only one of them," he added.

One of the problems not being addressed, he said, is that Mazda has five dealer chains in Japan, far too many to be supported by its meager sales. The third problem is that Mazda produces relatively few of its cars outside Japan, compared with the other major Japanese companies.

Meanwhile, the overall auto market in Japan remains weak. Sales in April fell 6.6 percent from a year before, defying expectations that sales would increase because of a reduction in the sales tax that took effect at the beginning of the month.

China Scraps Licenses to Import Oil

Compiled by Our Staff From Dispatches
BEIJING — China has canceled all licenses to import crude oil and refined products to try to combat what it called "chaotic" prices, traders in East Asia said Wednesday.

Chinese authorities have told holders of import licenses that the licenses are no longer valid and that they must reapply for the right to bring oil or oil products into the country, the traders said.

A spokesman for the State Planning Commission confirmed that the government was considering "administrative measures" to control the oil market, but he did not say what those measures might be.

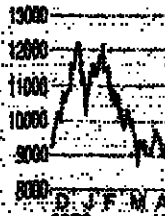
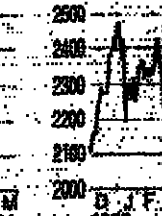
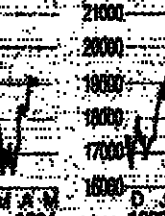
"At present, the prices on China's oil product markets are not reasonable and relatively chaotic," the spokesman said. "The government is implementing reforms for the circulation of crude and finished oil products according to the demands of the socialist market economy and will take administrative measures on crude oil which are now in the process of being set."

Traders said the commission would issue new import licenses but that the paperwork could take several weeks to process.

Other traders said price ceilings have been mentioned.

China is a net exporter of petroleum products. In 1990, the most recent year for which data are available, China imported \$1.05 billion of petroleum products and exported \$4.47 billion. (Bloomberg, Reuters, Knight-Ridder)

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
D J F M A M 1993 1994		D J F M A M 1993 1994		D J F M A M 1993 1994	
Exchange	Index	Wednesday Close	Previous Close	% Change	
Hong Kong	Hang Seng	2,369.74	2,676.13	-3.57	
Singapore	Straits Times	2,310.08	2,310.58	-0.41	
Sydney	All Ordinaries	2,018.40	2,044.20	-1.26	
Tokyo	Nikkei 225	Closed	18,570.61		
Kuala Lumpur	Composite	1,028.25	1,042.02	-1.32	
Bangkok	SET	1,252.37	1,256.61	-0.48	
Seoul	Composite Stock	922.33	917.56	+0.52	
Taipei	Weighted Price	5,907.54	5,800.35	+1.85	
Manila	PSE	3,964.05	2,587.93	+44.89	
Jakarta	Stock Index	442.60	460.54	-3.89	
New Zealand	NZSE-40	2,673.05	2,085.58	+0.60	
Bombay	National Index	1,760.67	1,787.67	-2.06	

Source: Reuters AFE International Market Data

Wednesday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

		B-C			
39	BABE	3.7	29	29	29
38	BABE	2	29	29	29
37	BABE	2	29	29	29
36	BABE	2	29	29	29
35	BABE	2	29	29	29
34	BABE	2	29	29	29
33	BABE	2	29	29	29
32	BABE	2	29	29	29
31	BABE	2	29	29	29
30	BABE	2	29	29	29
29	BABE	2	29	29	29
28	BABE	2	29	29	29
27	BABE	2	29	29	29
26	BABE	2	29	29	29
25	BABE	2	29	29	29
24	BABE	2	29	29	29
23	BABE	2	29	29	29
22	BABE	2	29	29	29
21	BABE	2	29	29	29
20	BABE	2	29	29	29
19	BABE	2	29	29	29
18	BABE	2	29	29	29
17	BABE	2	29	29	29
16	BABE	2	29	29	29
15	BABE	2	29	29	29
14	BABE	2	29	29	29
13	BABE	2	29	29	29
12	BABE	2	29	29	29
11	BABE	2	29	29	29
10	BABE	2	29	29	29
9	BABE	2	29	29	29
8	BABE	2	29	29	29
7	BABE	2	29	29	29
6	BABE	2	29	29	29
5	BABE	2	29	29	29
4	BABE	2	29	29	29
3	BABE	2	29	29	29
2	BABE	2	29	29	29
1	BABE	2	29	29	29

Wednesday's Closing
Prices include the nationwide prices

the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

B			
57	B&O		25
58	B&O	256	33
59	B&O		12
60	B&O		25
61	B&O		25
62	B&O		25
63	B&O		25
64	B&O		25
65	B&O		25
66	B&O		25
67	B&O		25
68	B&O		25
69	B&O		25
70	B&O		25
71	B&O		25
72	B&O		25
73	B&O		25
74	B&O		25
75	B&O		25
76	B&O		25
77	B&O		25
78	B&O		25
79	B&O		25
80	B&O		25
81	B&O		25
82	B&O		25
83	B&O		25
84	B&O		25
85	B&O		25
86	B&O		25
87	B&O		25
88	B&O		25
89	B&O		25
90	B&O		25
91	B&O		25
92	B&O		25
93	B&O		25
94	B&O		25
95	B&O		25
96	B&O		25
97	B&O		25
98	B&O		25
99	B&O		25
100	B&O		25
101	B&O		25
102	B&O		25
103	B&O		25
104	B&O		25
105	B&O		25
106	B&O		25
107	B&O		25
108	B&O		25
109	B&O		25
110	B&O		25
111	B&O		25
112	B&O		25
113	B&O		25
114	B&O		25
115	B&O		25
116	B&O		25
117	B&O		25
118	B&O		25
119	B&O		25
120	B&O		25
121	B&O		25
122	B&O		25
123	B&O		25
124	B&O		25
125	B&O		25
126	B&O		25
127	B&O		25
128	B&O		25
129	B&O		25
130	B&O		25
131	B&O		25
132	B&O		25
133	B&O		25
134	B&O		25
135	B&O		25
136	B&O		25
137	B&O		25
138	B&O		25
139	B&O		25
140	B&O		25
141	B&O		25
142	B&O		25
143	B&O		25
144	B&O		25
145	B&O		25
146	B&O		25
147	B&O		25
148	B&O		25
149	B&O		25
150	B&O		25
151	B&O		25
152	B&O		25
153	B&O		25
154	B&O		25
155	B&O		25
156	B&O		25
157	B&O		25
158	B&O		25
159	B&O		25
160	B&O		25
161	B&O		25
162	B&O		25
163	B&O		25
164	B&O		25

D-2-F									
52	15	DEAF	41	199	28	28	17	17	-17
53	16	DEAF	41	199	28	28	17	17	-17
54	17	DEAF	41	199	28	28	17	17	-17
55	18	DEAF	41	199	28	28	17	17	-17
56	19	DEAF	41	199	28	28	17	17	-17
57	20	DEAF	41	199	28	28	17	17	-17
58	21	DEAF	41	199	28	28	17	17	-17
59	22	DEAF	41	199	28	28	17	17	-17
60	23	DEAF	41	199	28	28	17	17	-17
61	24	DEAF	41	199	28	28	17	17	-17
62	25	DEAF	41	199	28	28	17	17	-17
63	26	DEAF	41	199	28	28	17	17	-17
64	27	DEAF	41	199	28	28	17	17	-17
65	28	DEAF	41	199	28	28	17	17	-17
66	29	DEAF	41	199	28	28	17	17	-17
67	30	DEAF	41	199	28	28	17	17	-17
68	31	DEAF	41	199	28	28	17	17	-17
69	32	DEAF	41	199	28	28	17	17	-17
70	33	DEAF	41	199	28	28	17	17	-17
71	34	DEAF	41	199	28	28	17	17	-17
72	35	DEAF	41	199	28	28	17	17	-17
73	36	DEAF	41	199	28	28	17	17	-17
74	37	DEAF	41	199	28	28	17	17	-17
75	38	DEAF	41	199	28	28	17	17	-17
76	39	DEAF	41	199	28	28	17	17	-17
77	40	DEAF	41	199	28	28	17	17	-17
78	41	DEAF	41	199	28	28	17	17	-17
79	42	DEAF	41	199	28	28	17	17	-17
80	43	DEAF	41	199	28	28	17	17	-17
81	44	DEAF	41	199	28	28	17	17	-17
82	45	DEAF	41	199	28	28	17	17	-17
83	46	DEAF	41	199	28	28	17	17	-17
84	47	DEAF	41	199	28	28	17	17	-17
85	48	DEAF	41	199	28	28	17	17	-17
86	49	DEAF	41	199	28	28	17	17	-17
87	50	DEAF	41	199	28	28	17	17	-17
88	51	DEAF	41	199	28	28	17	17	-17
89	52	DEAF	41	199	28	28	17	17	-17
90	53	DEAF	41	199	28	28	17	17	-17
91	54	DEAF	41	199	28	28	17	17	-17
92	55	DEAF	41	199	28	28	17	17	-17
93	56	DEAF	41	199	28	28	17	17	-17
94	57	DEAF	41	199	28	28	17	17	-17
95	58	DEAF	41	199	28	28	17	17	-17
96	59	DEAF	41	199	28	28	17	17	-17
97	60	DEAF	41	199	28	28	17	17	-17

[illegible][illegible][illegible][illegible]

		D—F	
17%	17%	17%	17%
18%	18%	18%	18%
19%	19%	19%	19%
20%	20%	20%	20%
21%	21%	21%	21%
22%	22%	22%	22%
23%	23%	23%	23%
24%	24%	24%	24%
25%	25%	25%	25%
26%	26%	26%	26%
27%	27%	27%	27%
28%	28%	28%	28%
29%	29%	29%	29%
30%	30%	30%	30%
31%	31%	31%	31%
32%	32%	32%	32%
33%	33%	33%	33%
34%	34%	34%	34%
35%	35%	35%	35%
36%	36%	36%	36%
37%	37%	37%	37%
38%	38%	38%	38%
39%	39%	39%	39%
40%	40%	40%	40%
41%	41%	41%	41%
42%	42%	42%	42%
43%	43%	43%	43%
44%	44%	44%	44%
45%	45%	45%	45%
46%	46%	46%	46%
47%	47%	47%	47%
48%	48%	48%	48%
49%	49%	49%	49%
50%	50%	50%	50%
51%	51%	51%	51%
52%	52%	52%	52%
53%	53%	53%	53%
54%	54%	54%	54%
55%	55%	55%	55%
56%	56%	56%	56%
57%	57%	57%	57%
58%	58%	58%	58%
59%	59%	59%	59%
60%	60%	60%	60%
61%	61%	61%	61%
62%	62%	62%	62%
63%	63%	63%	63%
64%	64%	64%	64%
65%	65%	65%	65%
66%	66%	66%	66%
67%	67%	67%	67%
68%	68%	68%	68%
69%	69%	69%	69%
70%	70%	70%	70%
71%	71%	71%	71%
72%	72%	72%	72%
73%	73%	73%	73%
74%	74%	74%	74%
75%	75%	75%	75%
76%	76%	76%	76%
77%	77%	77%	77%
78%	78%	78%	78%
79%	79%	79%	79%
80%	80%	80%	80%
81%	81%	81%	81%
82%	82%	82%	82%
83%	83%	83%	83%
84%	84%	84%	84%
85%	85%	85%	85%
86%	86%	86%	86%
87%	87%	87%	87%
88%	88%	88%	88%
89%	89%	89%	89%
90%	90%	90%	90%
91%	91%	91%	91%
92%	92%	92%	92%
93%	93%	93%	93%
94%	94%	94%	94%
95%	95%	95%	95%
96%	96%	96%	96%
97%	97%	97%	97%
98%	98%	98%	98%
99%	99%	99%	99%
100%	100%	100%	100%

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------

[illegible][illegible]

	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
12% VV	75	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63

[illegible]

The conference program will highlight the investment opportunities in Latin America following the region's economic recovery.

May 4, 1994

# DM Global Growth	1344	14.28	# Dreyfus America Fund	5	21.64
# Smaller Companies	5	13.21	# DVT Performance Fd.	5	102.78
# American	5	16.59	# Dynasty Fund	5	1.59
# For East	5	14.05	# Eas Overseas Fund Ltd	5	14.48.00
# Emerging Markets	5	16.07	# Elite World Fund Ltd	5F	9301.15

d European.....SF	11.58	d Emi Belg. Ind. Plus A.....BF	11330.00
d Global Income.....S	11.91	d Emi Belg. Ind. Plus B.....BF	12091.00
d DM Global Bond.....DM	10.90	d Emi France Ind. Plus A.....FF	1808.16

ill ma
erially
maker
nat we
restituc
nom
nd lar-
ften. "in
nces. u
ies. "nor
of the
technical
net
bsistan-
they "c
such g
have ste
st as bein
is far as
ed by ye
: Mfene b
ould deg
" fri
ce w
I jus
roac
olde
I up
awa
Javi
mac
part
n the
Plais
any oal
res
gne.
collapse
we
l'aved
left g
"o
nacle of
ne po
ssible. c
the
Palestin
o bu
and Jeri
at st
now. "r
rs now
nder
offices
the l
ng?
becom
acalm
venting
out. a
for 20
o/e to
st. stunn
he w
st go aw
Mr. Ara
Mr. Ara
la's inau
war
aides. M
ket you
nted exe
fat's paw
"hane
speaking
and Abb
: Commit
g the pea
was "mo
at refused
thrasing
v d around
n minister
details of
forehand,
o sign. A
more that
this way."

JS:
audienc
Page 1
cal in No
year. Com
nian, Virgi
: massager
ping and b
ures of My
za, has "in
eral law fi
cices for cri
ne says, "D
"."
ways incre
tion. the pr
chic repre
f magazine
that 100,
nt issue w
with an ad
duted to ne
and areas
it made its
wng budgets
ies. The clos
e are advert
by the indu
inrich Naila,
a ties, a prod
uacco Co.
rth. Mr. Str
ns, which c
and they co
uld up.
at I sold 360,
ns of thous
es." Mr. Str
za, I sold tom
ally used as
could have
s of weaker
ket out there

ge Ral
n appropri
responsible
ancy policy,
view on the
d countering
sp l States was
tals for the doll
eers in float
William McDi

the Federal Reserve Bank of New York, said today. "You can't float an exchange rate large

said Tues-
that the G-7 v
a floor under
psychologics
uld trigger a fr
ss the board, c
d. That could
stock and bo
aluing dollar-
held by overs
gh said intern
a currency at
not constrai
to commu
ast week's
ful.

ADVERTISING SECTION

In spite of current economic crises, Turkey's plan to form a customs union with Europe, a first step toward political integration with the European Union, is said to be right on track.

Turkey

AND THE EUROPEAN UNION

AN UNEASY COURTSHIP NOW REACHING A CONCLUSION

It has been a long courtship. In 1963, Turkey signed an Association Agreement with the then European Community in order to become, one day, a full member.

If at various points in the intervening decades Turkey itself shied away from the relationship, lately it has seethed with frustration at the various setbacks.

Yet suddenly, and through an act of political will, the romance is on again. In November of last year, Turkey and its European partners agreed to keep to a timetable agreed on back in 1970 to complete a customs union on manufactured goods.

This is short of full political integration into the European Union, but it is a far from trivial step.

It means that Turkey will enjoy, in the words of one Eurocrat, "the most intimate relation of any nation not actually in the Union with member states."

With consummation set to be completed by the end of 1995, sentiments on both sides are, not unnaturally, wavering between great expectations and cold feet.

For Turkey, making a success of customs union means leapfrogging its way up the ladder of Europe's political agenda when the

EU debates its own future enlargement in 1996. "There would be no meaning to the alliance if Europe excludes Turkey and allows Central European states to get in first," says Hikmet Cetin, Turkey's foreign minister.

Turkey already conducts over half its trade with Europe. A confirmed footing in one of the world's great trading blocs would allow Turkey to make good its claim to be a growth pole at the center of overlapping economic zones in the Middle East, the Black Sea region, the Caucasus and Central Asia.

With membership in the EU a possibility, Turkey would also have a concrete incentive to end its tolerance of human rights abuse and to rid itself once and for all of the antidemocratic practices embedded in a constitution bequeathed by a departing military government in 1982.

Customs union will have its price. Whereas Turkey has enjoyed free access in Europe for its own manufactured goods (with the exception of the quotas on textiles and apparel), it will now have to expose long-protected domestic industries to competition.

This means lifting a remaining 12.8 percent average level of protection, with

an even higher figure for some industries, such as automobiles.

Sections of the Turkish pharmaceutical industry have also benefited from Turkey's non-adherence to international conventions protecting intellectual and

union but rather on surviving the current prohibitive cost of borrowing as well as a decline in domestic demand.

Theoretically, customs union will further discipline Turkish industry in the direction it already needs to

The agreement would give Europe easier access to its ninth-largest trade partner

industrial property. To rectify this, the Turkish parliament must commit itself to an intensive legislative program.

These structural changes must occur at a time when Turkey is trying to cope with other fundamental problems. As recently as April 5, Tansu Ciller, Turkey's prime minister, was forced to introduce a major austerity package.

Her government is now pledged to reining in the profligacy of the state sector and has effectively pulled the plug on an import-led and externally financed consumer boom. The result is that many Turkish firms are now not focused on customs

go. After years of complaining about the King Kong-sized presence of the state in the economy, industry finds it difficult to argue that it, too, needs to hide behind the skirts of state protection and a de facto subsidy from the consumer.

"The government should not seek to shelter 'infant' industries if they cannot compete after 22 years," says Haluk Kabaoglu, professor at an institute specializing in EU affairs.

Cem Duna, the Turkish ambassador leading the negotiations, confirms that Turkey has not asked for continued protection for sensitive sectors, lest the whole project unravel.

The more serious threat to customs union would be a continued absence of macro-economic stability, according to Ali Tigel, who coordinates government policy on the issue. But this is a priority independent of any trade regime.

"Customs union offers more confidence and a more important rating than either Moody's or Standard & Poor's," says Michael Lake, the EU ambassador to Ankara, in reference to the international agencies' recent downgrading of Turkish debt.

While some investors will now shy away from a Turkey that no longer protects its internal market, others will be inspired by that confidence and a realistically valued Turkish lira to use the country as a production base.

Final proposals must be completed for approval by November of this year, under the German EU presidency. Those involved in negotiations describe them as "technical" and without disagreements in principle. The real probability, therefore, is that those in Turkey and Europe who anticipate delays or a fudged deal may find themselves surprised.

For Europe, more liberal access to what is already its ninth-largest trading partner

is an attraction. Securing Turkey's dependability as a secular and democratic element of the European alliance remains an equally important objective.

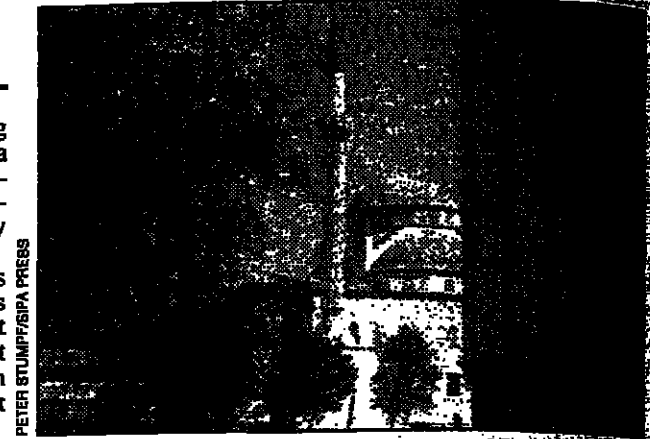
Many European diplomats following the negotiations concede privately that Turkey has a right to the sort of funds that even Sweden receives to soften the impact of economic integration.

Those who disagree are from Greece. A Greek veto now ensures that progress on talks over Cyprus is set as a condition for the freeing of some 600 million Ecus pledged to Turkey as far back as 1980 — let alone the more ambitious figures often mentioned.

Discussions of these financial protocols will now occur independently of the customs union and will require a compromise at ministerial level. It is in no one's interest to see Turkey's project of coming closer to Europe fail.

Turkey's claim to be Europe's bridge to Central Asia and the Near and Middle East belies its anxiety about being stranded on an uneasy European frontier. Both the commercial realities of customs union and the political commitment it represents would help vanquish this sense of isolation forever.

Andrew Finkel



From top: Prime Minister Tansu Ciller in Brussels; Istanbul skyline, a mix of ancient and modern; a market street in old Istanbul.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Andrew Finkel, a writer based in the United Kingdom, and by Andrew Finkel, a writer based in Istanbul.

Turkey's Most Profitable Bank.

Year after Year

BALANCE SHEET (US\$ 1,000) 31/12/1993

ASSETS	
Cash and due from banks	1,311,136
Reserve requirements	325,998
Loans	1,788,510
Overdue loans	178
Participations	99,401
Prepaid expenses and equipment	142,411
Other assets	216,984
Total Assets	3,882,648
LIABILITIES	
Deposits	2,225,090
Borrowed funds	657,109
Other liabilities	480,768
Total Liabilities	3,342,967
STOCKHOLDERS' EQUITY	
Capital*	172,914
Reserves	176,595
Profit (after taxes)	190,172
Total Stockholders' Equity	539,681
Return on Average Equity	54.46 %
Return on Average Assets	6.31 %

*Capital has been increased to US\$ 270 million as of March 1994

1993 results bear out what the international financial community has known for years.

With net income of TL 2,750 billion (US\$ 190 million), Akbank is long and away Turkey's most profitable private sector commercial bank. Return on Average Equity of 54.46 % underlines Akbank's record of productivity and achievement in an intensely competitive environment.

Akbank was recognized as Turkey's best bank in 1993 by Euromoney for the quality of its management and the soundness of its financial structure.

The 1993 balance sheet confirms the general opinion of Akbank in international financial circles, evidencing our consistent record of quality performance.

AKBANK
Pursuit of Excellence

When choosing your bank in Turkey, ask the salmon.

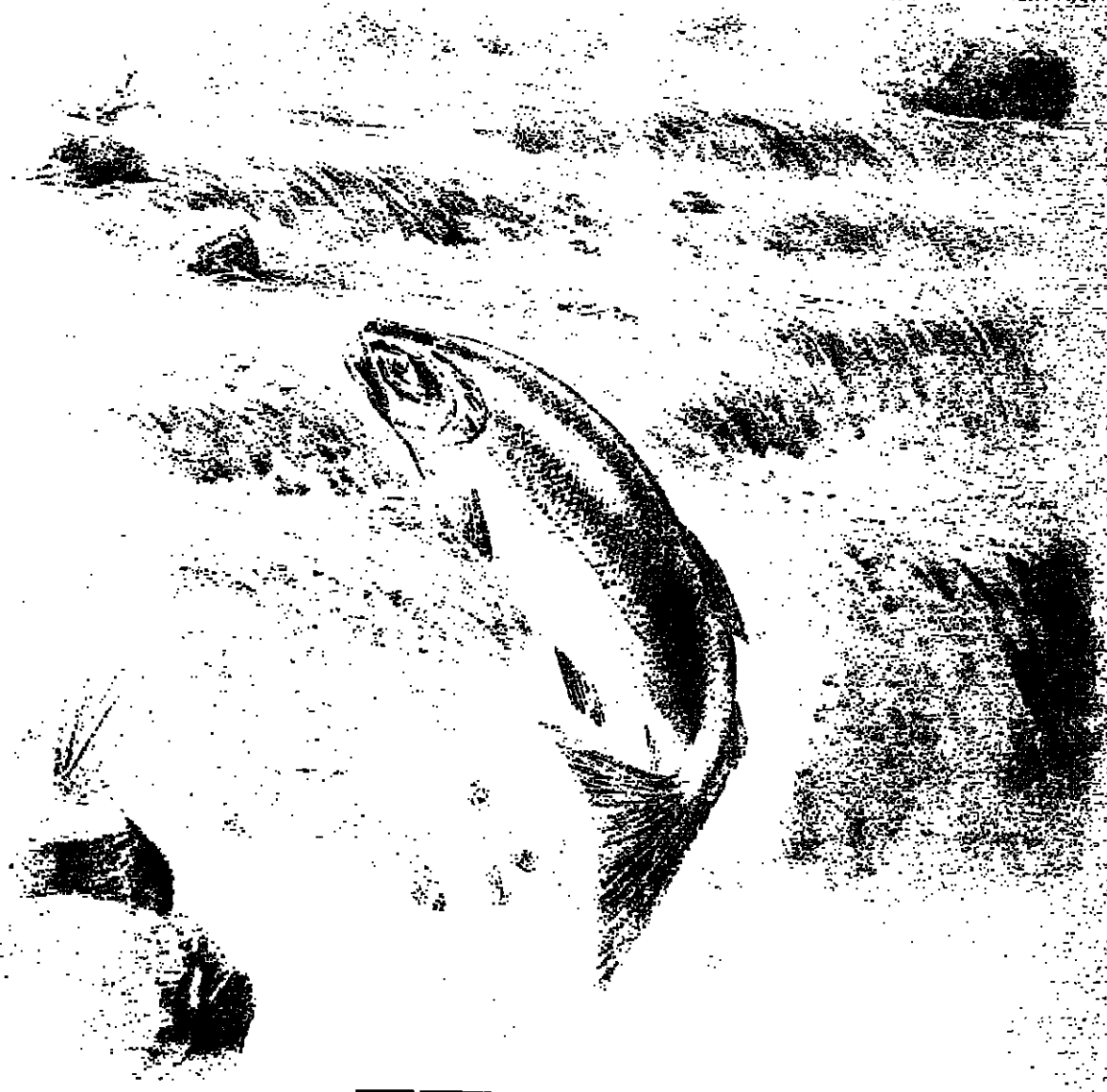
The salmon swims against the raging currents of the stream to reach its destination.

Such a journey requires immense drive and determination.

At Garanti Bank we share this determination to succeed, with an energy rooted in half a century of experience, making us one of Turkey's top banks.

SOME OF OUR FIGURES AS OF YEAR-END 1993

Total assets	TL 38,320 billion
Net profit	TL 2,329 billion
Paid-up capital (March '94)	TL 4,000 billion
Free capital	TL 2,957 billion
International business volume	US \$ 7,503 million
Capital adequacy ratio	
- Per statutory accounts	9.45 %
- Per audited figures	10.66 %
Return on average assets	7.91 %
Deposits / Total funds	46.72 %
Due to foreign banks / Total funds	24.87 %
Non-performing loans / Total loans	1.44 %



GARANTI BANK

63 80900000 Caddesi, Maslak 80670 Istanbul / TURKEY Tel. Fax: (90-212) 285 40 40 Telex: 27635 gar-tr
Contact person: Mr. Arslan Acik, Executive Vice President.

CYPRUS: LARG STAKES FOR A SMALL ISLAND

When the British ruled Cyprus, the island was a small island in the Mediterranean. But now, it is a small island in the world of international politics. The island's strategic location, its rich natural resources, and its potential for economic development have made it a focus of international attention. The island's political status, however, remains a contentious issue. The United Nations has been unable to resolve the dispute between the Greek Cypriots and the Turkish Cypriots. The island's future remains uncertain, and the stakes are high for all involved.

ADVERTISING SECTION

ADVERTISING SECTION



ECONOMIC AUSTERITY KEY TO CU SUCCESS

Tunc Giller, Turkey's prime minister, is in the hot seat. Steering his country into full customs union with Europe is fraught with potential difficulties.

How have you introduced a comprehensive austerity package? Is now the right time to add to industry's woes by making it into customs union?

The package was essential to establish macroeconomic stability. It is obvious that the more Turkey corrects economic imbalances, the more it will benefit from the advantages of CU and the less it will suffer from its negative effects. The economic package will, in the very nature, phase out the problems that could have decreased the efficiency of CU.

Are there any circumstances in which customs union might not go ahead?

It is impossible to draw up logical scenarios in which the union would be the case. An overwhelming majority of the population is in favor of CU, provided that it serves Turkey's ultimate goal of full integration into the EU. Even those entrepreneurs whose businesses will face the fiercest competition agree that it will be beneficial for Turkey's interest in the long run.

What about the rising question of European financial assistance to Turkey?

Discussions with our European partners, both at the political and technical levels, are now at a technical stage. The political dimension has already been confirmed in the Association Council meeting of November 1992 and 1993. Financial assistance is not a condition for the customs union between Turkey and the EU, with a view to the fact that Turkey has a strong belief in that there should be no obstacles on the way to the completion of the CU, as long as the commitment of Turkey to full integration in the European Union is held steadily on both sides.

Is the government confident that it is speaking for Turkish industry in CU negotiations?

Although negotiations for the completion of the CU are being carried out by the Turkish state, we know that the ultimate success of CU depends on the private sector, with which we are in close contact. We keep the private sector informed and sound out its positions. Remember, this is not a new issue for Turkey. Most of the well-established companies have already developed their own strategies and plans for 1995. I am confident that small and medium-sized enterprises, with their high levels of flexibility, will be able to prepare themselves as well.

Are there going to be rising and falling industrial sectors after CU and if so, will the government step in to help the losers?

We do not envisage a general system of compensation for "losing" sectors or companies, since this in itself is a hard claim to prove. Technical negotiations with the EU are underway, trying to highlight some sectors that will need support. But this is not a government's responsibility to intervene.

What does Turkey stand to gain?

Turkey is joining the EU's 10 leading nations. The Union needs Turkey as a pole of stability and prosperity in a particularly sensitive region. Turkey needs the union as a political and economic partner with which it is increasingly interdependent. The challenge for the year ahead is to establish the conditions for deepening this relationship to the benefit of all our people.

BANKING AHEAD IN COMPLYING WITH EU NORMS

Turkey's banking sector is the country's most advanced in complying with European Union norms, most bankers based in Turkey would agree.

This applies not only to regulatory reform, but also to technical and market sophistication, where great strides have been made since the early 1980s. In recent years, banks have invested so much in automation that the manager of one leading institution claims it is equal to, if not better than, many European counterparts.

Advances include automated teller machines (ATMs), telephone banking, credit cards and point-of-sale terminals. Credit cards have mushroomed since their widespread introduction in the late 1980s. All this is in response to and is attracting a more discerning customer, who is looking for service and is not bound by traditional loyalties.

Although the state sector lags somewhat behind the private sector, it too, with government encouragement, has established much

stronger financial foundations during the past decade and has introduced far more transparency in revealing its operations.

Banks have made the sometimes painful adjustment of complying with the minimum capital adequacy ratio of 8 percent set by a phased operation ending in 1992 and have modeled their operations on the guidelines set by the Basel-based Bank of International Settlements.

Some are comfortably in excess of this. An end-1992 ratio of about 14.6 percent was established at state-owned Ziraat Bankasi, according to Coskun Ulusoy, the bank's chairman and general manager.

Free competition in trade, particularly of manufactured goods and processed foods, is the main purpose of the customs union, but banking is covered among other services in an additional protocol. Last year, the government introduced by decree amendments to the banking law designed to bring the sector into line with the EU's Second Banking Directive.

Although the decree has



Istanbul's stock market: Banking reforms are one favorable economic development.

been invalidated by a case in the Constitutional Court, few doubt that the government will push its provisions through parliament before the six-month grace-period granted by the court expires on June 22.

The decree's main provisions are the following: to distinguish between development and investment banking; remove the distinction between foreign and domestic institutions; introduce far greater freedom for the establishment of new branches; increase lending

ratios to net worth to 20 percent from 10 percent for any one transaction, while permitting 25 percent in priority areas like exports and projects.

The decree also tightens up limits on equity participations and real-estate holdings to make banks sell unprofitable subsidiaries or assets, contracts permitted levels of non-cash credits and raises the minimum paid-up capital level to 250 billion Turkish lire (\$7 million) from 50 billion Turkish lire. Bankers are generally in

favor of the reforms. "They are useful," says Unal Korukcu, general manager of Is Bankasi. "We had some difficulties with the limitation on participations, but we have time up to 1999 to continue the adjustments." His institution has around 5 trillion Turkish lire in participations, which in general are performing well. Despite the crisis, for example, the bank is continuing to invest in glassmaker Sise Cam, the largest industrial organization in Turkey.

The decree also recog-

nizes that the problem of Turkey being overbranched is past after a decade of streamlining, according to Ozer Guney, general manager of Eskisehir Bankasi (Esbank).

But the decree's most important provision is to strengthen the treasury's powers of intervention against banks threatened by insolvency. The treasury demonstrated its new teeth when it moved in April to ban the ailing TYT Bank from banking operations.

Jim Bodgener

on par with the best anywhere

"We were probably the first large financial institution to foresee the foreign investment community's current interest in Turkey. Since the inception of Istanbul Stock Exchange, we have been very active in serving the needs of foreign investors. We offer full brokerage services, discretionary and non-discretionary fund management, and custodial and safekeeping services which incidentally are on par with the best anywhere. On the investment banking side, we concentrate on underwriting and M&A. Good research is of paramount importance to the foreign investor, so we are bolstering our very strong research capabilities by reorganizing our various research departments to produce the most comprehensive analyses available. We will continue to search for ways to better serve our foreign and domestic clients. In this effort, we will develop new products and services and do whatever is necessary to respond to the changing needs of the foreign investing community."

From an interview with Burhan Karacam,
President and Chief Executive of Yapi Kredi Bank.

"On par with the best anywhere".
These words are so unquestionably true
and therefore probably not worth
mentioning to those who bank
with us. Yet ads are made for those who,
we assume, have not banked with us.
This is why we took the liberty of quoting
the words of our Chief Executive
who himself would never consider
underlining what is such a natural remark.

YAPI KREDİ

YAPI VE KREDİ BANKASI A.Ş. DÜSSELDORF GERMANY BERLINER ALLEE 55 40212 DÜSSELDORF GERMANY TELEPHONE: (211) 136 970 FAX: (211) 136 9751 TELEX: 8586753 YKB D SWIFT: YAPIDEX
YAPI VE KREDİ BANKASI A.Ş. BAHRAIN KUWAIT ASIA BANK BUILDING, 2ND FLOOR, DIPLOMATIC AREA P.O. BOX 1104 MANAMA BAHRAIN TELEPHONE: (973) 530 312-530 313-530 310 FAX: (973) 530 311 TELEX: 9631 YAPBAH BN
FOR A COPY OF OUR CURRENT ANNUAL REPORT AND ACCOUNTS, OR MORE INFORMATION, PLEASE CONTACT KORUMAZ ILKORUL SENIOR EXECUTIVE VICE PRESIDENT, TREASURY AND INTERNATIONAL DIVISIONS,
YAPI VE KREDİ BANKASI A.Ş., YAPI KREDİ PLAZA BÜYÜKDERE CADDESİ LEVENT ANKARA, TURKEY TELEPHONE: (90-212) 280 15 12 OR 280 15 22 FAX: (90-212) 280 74 83 TELEX: 21113 YADI TR OR 24185 YAPA TR

CYPRUS: LARGE STAKES FOR A SMALL ISLAND

When the Berlin Wall crumbled, the artificial divisions of a small island somewhere in the Mediterranean looked like just the sort of problem the New World Order should have been able to solve with one hand tied behind its back.

In the gloom that has accompanied the collapse of the former Yugoslavia, an ethnic conflict in which no one actually gets killed might seem a sleeping dog best left undisturbed. Yet Cyprus is not a problem that will disappear — certainly not for Turkish policymakers.

They have been forced to meet a real price tag in continued economic and military support for a state they alone recognize. More important, Turkey is paying a less-easily-calculated cost in damaged relations with its Western allies.

Cyprus is soon to observe the 20th anniversary of de facto partition. A current 12-point set of UN-sponsored confidence-building measures, designed to soften antagonism between the Turkish north and the Hellenic south, are struggling to get off the ground.

In separate meetings with both the Greek and Turkish prime ministers last month, U.S. President Bill Clinton urged both sides to get on with the job of edging toward a settlement. For both Europe and the United States, Cyprus imposes an uncomfortable test.

Since Greece joined the EU, Cyprus has been a glass through which Europe sees Turkey darkly. The EU has posted an official observer to oversee progress on talks that it sees as a precondition for political rapprochement and for the freeing of the notorious Fourth Financial Protocol — some 600 million Ecu pledged long ago to soften the blow of customs union.

One of the very attractions of customs union for Turkey is that it allows the country to upgrade its relations with Brussels under already existing treaty regulations and beyond the reach of a Greek veto. Of the new proposals, the most important are those that would give Hellenic Cypriots access to Varosha, the potential holiday resort that is now a fenced-off wasteland. The Turks would be able to use Nicosia airport for direct access to the outside world.

Ankara is currently deciding whether to back Northern Cypriot objections to amendments to the already agreed draft of confidence-building measures that would give away Varosha before the airport facilities are complete. The Greek side also wants control of land access to Varosha, and objects to an immigration arrangement in the airport that would imply recognition of the North.

The bickering may well continue until the incentives for cooperation outweigh the impulse toward political intransigence.

A.F.

ART BUCHWALD

A French Welcome

PARIS — I have come to Paris to see the chestnuts in bloom. There is a knock on the door. A beautiful Frenchwoman in a Chanel suit and a pillbox hat is standing there. "I wish to take you to Taillevent, one of the greatest restaurants in the world."

"But I don't have a reservation," I say.

"You are an American. You don't need a reservation. We have not forgotten what you did for us in the French Revolution."

I put on my jacket and follow her downstairs where her souped-up Peugeot is waiting.

Like most French people she doesn't drive too fast or too slow.

"Are you sure you have the right person?" I ask her.

"You are from the United States and that's all that counts," she responds. "We French will never be able to make it up to Americans for giving us airbags."

We arrive at Taillevent, where there is only one parking place. A Frenchman is backing into it when

my escort explains to the driver that I am an American who saved the French franc from going down with the Russian ruble.

He gladly gives up his spot.

The owner of Taillevent and his entire staff are waiting for me. I am ushered to a table where the sommelier suggests that I have a glass of Dom Perignon champagne from the same bottle as Elie Rothchild, who is sitting at the next table.

I order a simple meal — a dainty cream of caviar soup on which are floating truffles and tiny hearts of goose liver. This is followed by baby lamb cooked in an alligator Hermes handbag, followed by a soufflé prepared with unborn strawberries from Provence.

As I am eating, the sommelier brings over a bottle of Château Latour 1949 and says, "This is with the compliments of President Mitterrand. He wants you to know that he has not forgotten how the Americans saved Christian Dior from going Communist in 1948."

I say, "It was the right thing to do."

My guide says, "Don't look now but Catherine Deneuve is coming over to the table."

"But I'm eating," I protest.

Catherine stops by and grinds pepper on my lamb. She looks at me with her gorgeous eyes. "We will always remember that it was the Americans who gave us our own Disneyland."

"If we hadn't, the British would have."

My guide says, "Things might be getting complicated. Here is a note from Jeanne Moreau. She heard that you were in town and wanted to give you a party at the Louvre. It will follow the ceremony where you are presented with the Legion of Honor for giving France a free Barbra Streisand concert."

The check comes and written across the top is: "With the compliments of the director and everyone else in Paris."

I can't believe any of it. Just then the phone rings in my room and the operator says, "It's 8 o'clock. This is your wake-up call."

I say to her, "Was I dreaming?"

She replies, "I don't know, monsieur. You'll have to ask the concierge."

Australia Festival Planned for U.S.

Washington Post Service

WASHINGTON — The John F. Kennedy Center for the Performing Arts and the Australian government have teamed up to present a festival of Australian culture in October.

The Australian showcase will feature performing artists such as the actress Zoe Caldwell, the pianist Michael Kieran Harvey and the Aboriginal rock group Yothu Yindi. The festival will take place Oct. 16. The kickoff for the festival will be Open House Australia, a free community arts celebration.

James D. Wolfensohn, the Kennedy center's chairman, said the festival's budget would be \$1.5 million, with the Australian government contributing "a very large, large proportion."

A World of Diplomacy in Arab Museums

By John Rockwell

New York Times Service

AMMAN, Jordan — The world of diplomacy is suffused with genteel language that hides, just beneath the surface, roiling passions.

Especially, it would seem, in the Arab world, where the passions sometimes break defiantly through the surface. But if one knows the context, one can discover impassioned meanings in even the politest of formulations.

Or so it seemed last week, when some 80 museum directors and related government officials from 18 Arab countries gathered for the first nearly comprehensive conference of the Arab Museum World.

Kuwait and Saudi Arabia boycotted the proceedings, presumably on political grounds. The conference — organized by the International Council of Museums, a 10,000-member, 120-country organization founded in the United States and based in Paris — was entitled "Museums, Civilization and Development."

Technically private, the council operates out of Unesco headquarters and partakes of diplomatic as well as museological manners.

In the Arab world, riven just now by fundamentalist hatreds and confronted with a potential calving of tension with Israel, the exact nature of "civilization" and "development" — what those terms embrace, what they exclude and whose values (Arab? Islamic? Western? universal?) they can be said to represent — remains intensely controversial.

Malika Bouabdellah, the director of the National Museum of Fine Arts in Algeria, described the conference's background most succinctly in a paper submitted before the sessions began.

"The economic, political, moral and spiritual crisis that we are living through is pulverizing our standards of values and our very beings," she wrote. "We despair and tear ourselves apart. We regress in believing that we are realizing our hopes; we impoverish ourselves; we lose track of our roots."

Bouabdellah named no specific source for the crisis she described. But given Algeria's tormented past — at least two of the Algerian delegates had either been threatened with death by fundamentalists or had their museums physically attacked — her meaning was clear enough, and formed the most imposing of the conference's several powerful subtexts.

On the surface, the conference proceeded in a smooth and orderly manner.

Apart from a visit to the archaeological site of Petra, one of whose 2,000-year-old sandstone facades served as a set in "Indiana Jones and the Last Crusade," the five-day event was devoted to public ses-



Members of the International Council of Museums touring Petra, in Jordan.

sions and workshops concerned with matters of intense practical importance: the training of curators and restorers, the management of museums, the standardization of terminology, the development of computer software and the compilation of personnel directories and registers of stolen artworks. There was also a call to form an Arab regional museum organization.

But the underlying agenda was more interesting than the official agenda. Any such conference — the council's first in the Third World took place in Africa in 1991 and another may be in the works for Asia — is meant to forge personal bonds that lead to regional cooperation.

Here, however, some of the issues were too sensitive for formal expression, and

found more frank and heated expression privately.

The Palestinian delegation, for instance, was determined to include in the formal recommendations a stiff demand that Unesco and the council be more active in the recovery of lost Palestinian cultural artifacts.

Mouyad Mohamed Said Damerji, the Iraqi director-general of antiquities, aggressively sought language demanding international help in restoring artworks looted during the Gulf War.

"The language of Unesco is very bland; it has no taste," he grumbled.

But the most troubling concern, always implicit and sometimes explicit, was about the impact of Islamic fundamentalism.

This is a tricky issue, because Arabs are convinced that Westerners stereotype them. Unless they are directly subjected to death threats, they are unwilling to seek outside assistance or even comment about their problems. Indeed, when they have been threatened, they may be even more shy.

"If there's a feud going on, it's a family feud," said Krishna Davies, an American who directs the Ford Foundation regional office in Cairo and who channeled \$125,000 of Ford money to the Amman conference.

If the Arabs are suspicious of the West, they had ample reason to be suspicious here, since a healthy portion of the budget (along with contributions from the Jordanian government, the Ford Foundation and Unesco) came from such Western institutions as the Rockefeller Foundation, the J. Paul Getty Trust, the French Foreign Ministry and the British Council.

The most outspoken of the delegates was Aicha ben Abed ben Khader, a curator and former director of the Bardo Museum, Tunisia's oldest and largest, who wrote in her paper of the "horror of the extremists that seizes us daily."

These "forges of hatred," she added, purveyed "demagoguery, pure and simple," which seeks to "obliterate civilizations preceding the Islamic conquest."

She said, "The role of museums can be basic not only presenting diverse civilizations, but also for introducing to the public an idea of tolerance and a respect for differences."

One of her projects is a traveling exhibition illustrating the diversity of Arab cultures before Islam.

Her ideas found a place in the final recommendations of the "research, ethics and legislation" workshop, which call for museums to be "a privileged forum of transcultural exchanges" that "should fight against all kinds of extremism and promote tolerance."

PEOPLE

On the Road Again

Stones Set World Tour

Thirty years after their American tour, the Rolling Stones are taking on the United States again. The four members — Mick Jagger, Keith Richards, Ron Wood and Charlie Watts — arrived in New York Monday night. They will play a series of shows in the United States, starting Aug. 1 in Washington and ending Aug. 11 in Los Angeles. The tour is the first since 1964, when the band was at the height of its popularity. The tour is expected to gross over \$10 million.

Clinton Calls Sender

He Receives 4 Las Vegas

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

Clinton Calls Sender

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.

Europe

Country	Today	High	Low	Tomorrow	High	Low
Austria	12-18	16-21	2-7	12-18	16-21	2-7
Belgium	12-18	16-21	2-7	12-18	16-21	2-7
Denmark	12-18	16-21	2-7	12-18	16-21	2-7
France	12-18	16-21	2-7	12-18	16-21	2-7
Germany	12-18	16-21	2-7	12-18	16-21	2-7
Greece	12-18	16-21	2-7	12-18	16-21	2-7
Ireland	12-18	16-21	2-7	12-18	16-21	2-7
Italy	12-18	16-21	2-7	12-18	16-21	2-7
Japan	12-18	16-21	2-7	12-18	16-21	2-7
Netherlands	12-18	16-21	2-7	12-18	16-21	2-7
Norway	12-18	16-21	2-7	12-18	16-21	2-7
Poland	12-18	16-21	2-7	12-18	16-21	2-7
Portugal	12-18	16-21	2-7	12-18	16-21	2-7
Romania	12-18	16-21	2-7	12-18	16-21	2-7
Russia	12-18	16-21	2-7	12-18	16-21	2-7
Spain	12-18	16-21	2-7	12-18	16-21	2-7
Sweden	12-18	16-21	2-7	12-18	16-21	2-7
Switzerland	12-18	16-21	2-7	12-18	16-21	2-7
Taiwan	12-18	16-21	2-7	12-18	16-21	2-7
Thailand	12-18	16-21	2-7	12-18	16-21	2-7
U.K.	12-18	16-21	2-7	12-18	16-21	2-7
U.S.	12-18	16-21	2-7	12-18	16-21	2-7

Asia

Country	Today	High	Low	Tomorrow	High	Low
China	12-18	16-21	2-7	12-18	16-21	2-7
India	12-18	16-21	2-7	12-18	16-21	2-7
Japan	12-18	16-21	2-7	12-18	16-21	2-7
Korea	12-18	16-21	2-7	12-18	16-21	2-7
Malaysia	12-18	16-21	2-7	12-18	16-21	2-7
Philippines	12-18	16-21	2-7	12-18	16-21	2-7
Singapore	12-18	16-21	2-7	12-18	16-21	2-7
Taiwan	12-18	16-21	2-7	12-18	16-21	2-7
Thailand	12-18	16-21	2-7	12-18	16-21	2-7
U.S.	12-18	16-21	2-7	12-18	16-21	2-7

Latin America

Country	Today	High	Low	Tomorrow	High	Low
Brazil	12-18	16-21	2-7	12-18	16-21	2-7
Colombia	12-18	16-21	2-7	12-18	16-21	2-7
Cuba	12-18	16-21	2-7	12-18	16-21	2-7
Ecuador	12-18	16-21	2-7	12-18	16-21	2-7
El Salvador	12-18	16-21	2-7	12-18	16-21	2-7
Guatemala	12-18	16-21	2-7	12-18	16-21	2-7
Honduras	12-18	16-21	2-7	12-18	16-21	2-7
Nicaragua	12-18	16-21	2-7	12-18	16-21	2-7
Panama	12-18	16-21	2-7	12-18	16-21	2-7
Paraguay	12-18	16-21	2-7	12-18	16-21	2-7
Peru	12-18	16-21	2-7	12-18	16-21	2-7
Uruguay	12-18	16-21	2-7	12-18	16-21	2-7
Venezuela	12-18	16-21	2-7	12-18	16-21	2-7

Africa

Country	Today	High	Low	Tomorrow	High	Low
Algeria	12-18	16-21	2-7	12-18	16-21	2-7
Angola	12-18	16-21	2-7	12-18	16-21	2-7
Benin	12-18	16-21	2-7	12-18	16-21	2-7
Burkina Faso	12-18	16-21	2-7	12-18	16-21	2-7
Burundi	12-18	16-21	2-7	12-18	16-21	2-7
Cameroon	12-18	16-21	2-7	12-18	16-21	2-7
Cote d'Ivoire	12-18	16-21	2-7	12-18	16-21	2-7
DRC	12-18	16-21	2-7	12-18	16-21	2-7
Egypt	12-18	16-21	2-7	12-18	16-21	2-7
Ghana	12-18	16-21	2-7	12-18	16-21	2-7
Guinea	12-18	16-21	2-7	12-18	16-21	2-7
Kenya	12-18	16-21	2-7	12-18	16-21	2-7
Liberia	12-18	16-21	2-7	12-18	16-21	2-7